

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 18th November, 2003

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### PAPERS LAID

The following Papers were laid on the Table:-  
Sessional Paper on National Housing Policy for Kenya.

*(By the Minister for Roads,  
Public Works and Housing)*

Annual Report and Accounts of Kenya Accountants and Secretaries National Examinations Board for the year ended 30th June, 2002, and the Certificate thereon by the Controller and Auditor-General.

*(By the Minister for Roads, Public Works  
and Housing on behalf of the  
Minister for Finance)*

### QUESTIONS BY PRIVATE NOTICE

**Mr. Speaker:** Order, hon Members! Today, I think I will begin with Questions by Private Notice. I understand there may be some Members who will not have come, but I will try to see whether we can reach all the four. I have been requested by one Minister that he has something important to attend to.

*(Applause as Mr. E.K. Maitha  
entered the Chamber)*

What is it?

**Hon. Members:** Mr. Maitha!

**Mr. Speaker:** Very well! So, we have the understanding and I hope hon. Members will be there.

Proceed, Mr. Akaranga!

**Mr. Akaranga:** Mr. Speaker, Sir, although I have not received a written answer, I will ask

my Question.

FRAUDULENT COLLECTION OF FUNDS  
BY AVIRUKI GROUP

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

(a) Is the Minister aware that by letters Ref.No.LND.16/2/1/Vol.XI/34 of 23rd October, 1978 and Ref.No.I&O.17/3/2/Vol.XV/26 of 3rd December, 1980, the District Commissioner, Kakamega, authorized four leaders of the Aviruki Group, of P.O. Box 860 Maragoli, to collect funds from the public to enable the group purchase land to settle their members?

(b) Is he further aware that by letter Ref.No.CID/SEC/4/4/8/Vol.IV/33 of 15th May, 1997, the Director of Criminal Investigations Department (CID) informed the Chairman of Aviruki Group that he was investigating allegations of fraud by the group?

(c) How much has the group collected to date and what was the outcome of the investigations on the alleged fraud by the CID?

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

(a) Yes, I am aware that the District Commissioner authorised Aviruki Group to collect a subscription fee of Kshs130 each from its members for purchase of land for settlement.

(b) Yes, I am aware that the Director of CID informed the Chairman of the Aviruki Group that he was investigating allegations of fraud by some of the group members.

(c) The group had collected Kshs341,000. At the time the account was closed, on 20th September, 1984, the money had accumulate to Kshs406,416.70. The police investigation into the fraud is still pending and a file has been opened for information that may lead to the arrest and prosecution of the suspects who withdrew all the money and closed the account.

**Mr. Akaranga:** Mr. Speaker, Sir, you have heard the Assistant Minister say that Kshs406,416.70 disappeared from the members' account. The Chairman of that group, Mr. Ainea Chonza has been following the whereabouts of those funds since then. Could the Assistant Minister tell us who withdrew that cash from the members' account? What action has the Government taken to ensure that the culprits are jailed?

**Mr. Tarus:** Mr. Speaker, Sir, I do not have the list of those who withdrew the money. But through investigations, it is indicated that there was a fraud. That fraud took place a long time ago and the investigations are still going on. I regret that it has taken such a long time.

**Mr. Akaranga:** Mr. Speaker, Sir, those funds were deposited into an account with the Kenya Commercial Bank (KCB). As a former banker, I know that when money is withdrawn from an account without the customer's authority, the bank is liable to refund all the monies to the customer. Those were clients of the KCB and their funds were just removed from their account. Why can the Assistant Minister not force the KCB to refund the money to the customers?

**Mr. Tarus:** Mr. Speaker, Sir, that is a civil case and I would like to advise the aggrieved to go to court!

**Mr. Angwenyi:** That is wrong! On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Order, Mr. Angwenyi!

*(Laughter)*

We do not conduct business that way Jimmy! What is the matter?

**Mr. Angwenyi:** Mr. Speaker, Sir, is the Assistant Minister in order to tell those people to

file a civil suit, when we know that when your money is withdrawn from your bank account, it is a fraud and thus a criminal offence? That is not a civil matter!

**Mr. Tarus:** Mr. Speaker, Sir, that is a case between two parties; that is, the customer and the bank. Unless they take the matter to court to seek redress, our Ministry can only conduct investigations into the matter. To hasten the resolution of the problem, I think it is better to take the matter to court.

**Mr. Akaranga:** Mr. Speaker, Sir, if that is the way the Government is going to handle cases involving Kenyans, then it is quite pathetic. That is because members of the public out there are suffering from dubious transactions on their various accounts. Now, it has taken 22 years since those funds got lost. As I said, where there is fraud--- The bank does not have any authority to debit a customer's account. It does not require a customer to go to court! The Assistant Minister has got the powers to direct the KCB to refund those funds!

Mr. Speaker, Sir---

**Mr. Speaker:** What is your question?

**Mr. Akaranga:** Mr. Speaker, Sir, recently, a list of those who had withdrawn funds from the KCB was laid on the Table. I am sure those are some of the funds that were stolen! Could the Assistant Minister assure us that he is going to follow up that case, so that the Aviruki Group members are paid back their money?

**Mr. Tarus:** Mr. Speaker, Sir, we shall conduct the investigations and, as soon as we complete them, we shall take appropriate action.

**Mr. Speaker:** Next Question by Maj. Madoka!

#### OUTCOME OF PRESIDENT'S VISIT TO USA AND BRITAIN

**Maj. Madoka:** Mr. Speaker, Sir, I beg to ask the Minister for Foreign Affairs the following Question by Private Notice.

Could the Minister inform the House the outcome of the President's recent visit to the USA and Britain?

**The Assistant Minister for Foreign Affairs (Mr. Wetangula):** Mr. Speaker, Sir, I beg to reply.

President Mwai Kibaki made a State Visit to the United States of America from 5th to 7th October this year. The President was the first African Head of State and the fourth President to be accorded full honours by the Bush Administration since it came into office. The President held successful discussions with his host, President George Bush and agreed on many areas of bilateral and regional concern. The President also had the opportunity to meet the World Bank and IMF officials, US State officials, Congressional leaders, business associations and the Kenyan community in the US.

Mr. Speaker, Sir, His Excellency the President also visited the United Kingdom between 8th and 9th October, 2003 on his way back from Washington. The President had occasion to hold talks with the Prime Minister of the UK, Mr. Tony Blair, Ministers, Commonwealth Business Council and Kenyans living in the UK.

Thank you.

**Maj. Madoka:** Mr. Speaker, Sir, could the Assistant Minister tell us whether there was any pressure from the American Government for us to pass the Anti-Terrorism Bill the way it is?

**Mr. Wetangula:** Mr. Speaker, Sir, there was none.

**Mr. M'Mukindia:** Mr. Speaker, Sir, I think the operative words in hon. Maj. Madoka's

Question are: "The outcome of the President's recent visit to the USA and Britain". That is what he wanted to know and not what they discussed. What was the outcome of those two visits?

**Mr. Wetangula:** Mr. Speaker, Sir, while in the US, the President discussed and had successful conclusions on among other things, the war on terrorism where Kenya was listed as a priority country to benefit from the US\$100 million set aside by the US Government for the fight against terrorism. The President discussed with his host the war on corruption going on in this country, which his host fully appreciated the scope and process so far. They discussed free universal primary education which his host promised to support. They discussed the travel advisory imposed on Americans coming to Kenya. They discussed the issues of HIV/AIDS, tuberculosis, malaria, trade and many other bilateral issues that are of interest to both countries.

Mr. Speaker, Sir, while in the UK, the President had discussions with his host and other groups on the following issues: War on terrorism; free primary education; HIV/AIDS and health programmes; business and trade; Somali peace talks and the Sudan peace talks.

Mr. Speaker, Sir, from our assessment, the trips were successful and we are satisfied with all the bilateral and multilateral issues that were discussed.

**Mr. Kamama:** Mr. Speaker, Sir, could the Assistant Minister tell us what was discussed about the compensation for the victims of the 7th August, 1998, bomb blast?

**Mr. Wetangula:** Mr. Speaker, Sir, issues relating to terrorism were discussed in broad terms. There is a fund set aside by the American Government to fight terrorism and, in my assessment, it includes a possible compensation for the victims of the 7th August, 1998, bomb blast.

**Mr. Speaker:** I will come to the last supplementary question. Whose was it?

**Hon. Members:** Maj. Madoka's!

**Mr. Speaker:** Maj. Madoka, are you ready to ask it?

**Maj. Madoka:** Mr. Speaker, Sir, I will give it to Dr. Galgallo.

**Dr. Galgallo:** Thank you, Maj. Madoka for being so magnanimous.

Mr. Speaker, Sir, we know that when the President goes out on foreign trips, he does so with so many people including dignitaries and even joy-riders which means it costs this Government a lot of money. When we spend so much money, we expect tangible results. One major issue which is facing this country now is resumption of donor aid to this country. What conditions was the President given on the resumption of aid and did they or did they not agree that they were going to resume aid to this country?

**Mr. Wetangula:** Mr. Speaker, Sir, the President had a meeting with the IMF and the World Bank on the possible resumption of donor support and the outcome of the meeting was such that we are optimistic and hopeful that this process has taken a new positive momentum. We do know that there is going to be a meeting in this country next week as a follow-up to that visit and we should wait and see the outcome of that meeting.

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir. Would I be in order to thank hon. Maj. Madoka for having realised that when a President goes out, he needs to give us a report which he did not do when he was the Minister for Foreign Affairs?

*(Laughter)*

**Mr. Wetangula:** On a point of order, Mr. Speaker, Sir. May I give an undertaking to this House that every time the President makes a state visit anywhere, my Ministry will bring a report to this House for the information of hon. Members.

*(Applause)*

**Mr. Speaker:** Next Question by Mr. Onyancha!

RATIFICATION OF WHO CONVENTION  
ON TOBACCO CONTROL

**Mr. Onyancha:** Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that Kenya, through the Ministry of Health, played a major role in ensuring the success and adoption of the World Health Organisation (WHO) Framework Convention on Tobacco Control (FCTC) to its present form?

(b) Why has Kenya not signed and ratified the FCTC even after 75 countries have appended their signatures, 16 of them from the African Region?

(c) Could the Minister urgently consider gazetting all pending Ministerial pronouncements on the regulation and control of the marketing and use of tobacco, as allowed by law?

**Mr. Speaker:** The Minister for Health not here? Well, I will wait a little because, as you know, I began with Questions by Private Notice. I do not want to penalise this hon. Member's Question.

Next Question by Mr. Sirma!

OPERATIONS OF EMU OFFICERS  
IN NAIROBI CITY COUNCIL

**Mr. Sirma:** Mr. Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) Could the Minister inform this House the terms of reference under which the Efficiency Monitoring Unit (EMU) was sent to the Nairobi City Council?

(b) Could he also confirm that these officers, being civil servants, are not entitled to any extra allowances?

*(Applause)*

**The Minister for Local Government** (Mr. E.K. Maitha): Mr. Speaker Sir, first of all, let me thank all the Members for applauding me. I am sure those are condolences following my father's death.

Mr. Speaker, Sir, I beg to reply.

(a) The specific terms of reference for the extra-ordinary inspection team comprising of officers from the Efficiency Monitoring Unit (EMU) and other Government departments that was gazetted vide Legal Notice No.7591 of 24th October 2003 in accordance with Sections 231(1) and 245 (1) of the Local Government Act, Cap.265 are as per the attached annex.

Mr. Speaker, Sir, I beg leave of the House to lay on the Table the elaborate terms of reference.

*(Mr. E.K. Maitha laid the documents  
on the Table)*

(b) I wish to confirm that any allowances that may be payable to any members of the inspection team, who are also public officers, will be made and accounted for strictly in accordance

with Section 245(4) of the Local Government Act, (Cap 265), Government Financial Regulations and Procedures, Code of Regulations and Government Circulars on Allowances currently in force.

**Mr. Sirma:** Mr. Speaker, Sir, despite the fact that I am not able to get the annex of the terms and conditions attached to my answer, we have had several commissions being set up and coming up with various reports including the Mbugua Report and the Mbaru Report. There is no tangible evidence to show that any action has been taken on the two reports yet the Minister has gone ahead to appoint another team. Could the Minister consider abolishing the Efficiency Monitoring Unit (EMU) because the Nairobi City Council is required to pay Kshs10 million for that inspection while there are no salaries for the workers of the City Council?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, my dear friend, who has been an able Assistant Minister in the Ministry of Local Government and is now serving as the Shadow Cabinet Minister, the same portfolio I also served in, must know that an extraordinary inspection team is not a commission according to the Local Government Act. The commissions that he has talked about were constituted under the Local Government Act. What I have appointed is a routine inspection team which, as you are aware, is supposed to carry out any inspection referred to and gazetted by the Minister. The inspection team is required only to get information on how local authorities are carrying out their duties. So there is no need of suggesting that we abolish "this commission" because in the first place, the inspection team is not a commission. It is only an extraordinary team with auditors from my office.

**Mr. Sungu:** Mr. Speaker, Sir, the Minister is aware that, in fact, circumstances facing Nairobi City Council are similar to the ones facing Kisumu Municipal Council whereby council workers have gone on strike because of alleged corruption.

We know that there is an advocate ripping off Kisumu Municipal Council of millions of shillings. Could the Minister consider taking a similar team, or an auditor, to Kisumu Municipal Council so that theft of funds is stopped once and for all and workers are paid their money?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, I do agree with the hon. Member about what is happening in Kisumu. It is for that reason that, tomorrow, a gazette notice will show the names of the inspectors we have appointed to visit Kisumu. In fact, we have helped Kisumu Municipal Council to get an overdraft to pay its workers. So, they are no longer on strike.

**Mr. Maore:** Mr. Speaker, Sir, the Ministry of Local Government and the operations of Nairobi City Council, under the stewardship of this Minister--- Is the Minister satisfied with the performance of his officers and those of the Nairobi City Council or are they just a conduit of stealing public funds without offering the services required?

**Mr. Speaker:** We do not use those terms in this House, Mr. Maore!

**Mr. Maore:** Mr. Speaker, Sir, I can tone it down and apologise, but I would wish to ask the Minister whether he is satisfied with the performance of Nairobi City Council, as currently constituted, to offer services to the residents of this City.

**Mr. E.K. Maitha:** Mr. Speaker, Sir, the complaints the hon. Member is raising, and others being raised by the public of Nairobi concerning public delivery, forced me to appoint this extraordinary inspection team whose report will be made public. We will then establish whether the council workers should be retained or not. It is all contained in the terms of reference that we have tabled here.

**Mr. Sirma:** Mr. Speaker, Sir, I think the Minister ought to have, first, declared his interest in this inspection team. I think he has gone personal, given that he needs to know what the Town Clerk is doing. I do not know whether it was appointed because of the wrangles existing between him and the Town Clerk over the transfer of the same Town Clerk. We know that one of the terms of reference concerns the manner in which the Town Clerk works and how he relates to the Mayor

and all sorts of things. The Minister is not actually giving us a proper answer because the inspection team---

**Mr. Speaker:** Order, Mr. Sirma, you are now debating!

**Mr. Sirma:** Mr. Speaker, Sir, the question is: The inspection team is occupying the same office which the Mbaru and Mbugua teams occupied Re-insurance Plaza. What is the purpose of giving them Kshs10 million at the expense of the council workers who are not being paid their salaries?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, first of all I want to deny that we are paying the extraordinary team Kshs10 million. The whole budget is Kshs6 million. In fact, it is provided for in the law. I am sorry to say that the hon. Member is conversant with that Section of the law which states that:-

"The Minister may from time to time appoint one or more persons as local government inspectors to conduct extraordinary inspections and examinations of the accounts and records of the local authorities. An inspector so appointed, may institute such inspection or examination to any aspect of the accounts and records of any local authority that he deems necessary."

The Town Clerk is the chief executive. So, according to the terms of reference, he has to give some information which should satisfy the inspectors.

**Mr. Speaker:** Very well.

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Sorry, Mr. Angwenyi!

**Mr. Angwenyi:** On a point of order Mr. Speaker, Sir.

**Mr. Speaker:** Order, Mr. Angwenyi! I always give you a latitude, but I do not want you to make it a habit. So, relax, Mr. Angwenyi!

*(Laughter)*

I do not want you to make it a habit to the extent that you can always take the Floor almost by force.

**Mr. Angwenyi:** Mr. Speaker, Sir, the hon. Member for Eldama Ravine, has cast aspersions on the Minister; that he has a special, personal interest in setting up the inspection team. The Minister has said that according to the Local Government Act, he is empowered to set up the inspection team. Could hon. Sirma apologise for insinuating an improper motive against the Minister? Those are the rules!

*(Loud consultations)*

**Mr. Speaker:** Order, Members!

#### RATIFICATION OF WHO CONVENTION ON TOBACCO CONTROL

**Mr. Onyancha:** Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that Kenya, through the Ministry of Health, played a major role in ensuring the success and adoption of the World Health Organisation (WHO) Framework Convention on Tobacco Control (FCTC) to its present form?

(b) Why has Kenya not signed and ratified the FCTC even after 75 countries have appended their signatures, 16 of them from the African Region?

(c) Could the Minister urgently consider gazetting all pending Ministerial pronouncements on the regulation and control of the marketing and use of tobacco, as allowed by law?

**Mr. Speaker:** Is the Minister for Health around? I am sorry she is not in the House. Can I defer the Question until Thursday, this week?

**Mr. Onyancha:** Mr. Speaker, Sir, that is okay with me.

*(Question deferred)*

**Mr. Speaker:** Very well. Let us move to ordinary Questions. Mr. Abdi Sasura!

## ORAL ANSWERS TO QUESTIONS

### *Question No.849*

#### UPGRADING OF POLICE OFFICERS' WORKING CONDITIONS

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

(a) when the salaries and allowances for Kenya Police officers were last revised; and,

(b) what plans the Government has to upgrade the living conditions of the officers serving in the Police Force.

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

(a) The Government sympathises with the condition of the Kenya Police officers. The Kenya Police is part of the larger Civil Service. The salaries for civil servants, including that of police officers, was last revised in October, 1997. However, the Government recently announced that the salaries of the Kenya Police officers will be revised with effect from 1st January, 2004.

(b) The Government is currently studying the report of a task force appointed to look into the terms and conditions of service of the Kenya Police Force officers, including their living conditions, and make appropriate recommendations. The Government will then determine the appropriate modalities for the implementation of the recommendations of the task force, including the upgrading of the living conditions of the police officers.

**Mr. Sasura:** Mr. Speaker, Sir, I have not received a written answer, but from the Assistant Minister's reply, I understand why he did not give me a written answer. He has said that the salaries of police officers were last revised in 1997. While the Assistant Minister appreciates the deplorable conditions under which police officers live and operate, could he tell us whether the recent salary increment was done on the basis of the report which the Government is yet to study, or was just done as an arbitrary statement? How was the salary increment, which police officers are expecting in February, 2004, done? University lecturers are also expecting a salary increment in February, 2004. It seems like every salary increment will be done in February, 2004.

**Mr. Dzoro:** Mr. Speaker, Sir, I request the hon. Member to repeat his question because he was too fast.

**Mr. Sasura:** Mr. Speaker, Sir, I am sure the Assistant Minister will understand my question if he stopped listening to Mr. Raila and Eng. Toro. He said very clearly that the Government is studying a report that has been done on salaries and the living conditions of police officers. Could he tell us on what basis the Government arrived at the increment which police officers are expecting in January or February, if it is still studying that report? On what basis were the salary increments



made because the Government is still studying the report?

**Mr. Dzoro:** Mr. Speaker, Sir, I am not aware of the salary increment the hon. Member is talking about. All I know is that the task force is still studying these recommendations.

**Archbishop Ondiek:** Mr. Speaker, Sir, I am so surprised that the Assistant Minister is not aware that there was a promise by the Government to increase the salaries of the police officers by January, 2004. Could he stop dodging the question and tell us when this money will be paid? How much will it be?

**Mr. Dzoro:** Mr. Speaker, Sir, as I said in this House, there was a promise that by January, 2004, salaries of the police officers will be revised. We are still studying the recommendations of the task force, and when we are through, hon. Members and the whole nation will know the outcome.

**Dr. Ali:** Mr. Speaker, Sir, this Assistant Minister looks confused. We have been told severally, and he has confirmed now, that the Government will revise the salaries of the police officers. Some few minutes ago, he said that he is not aware of that. Which is which? Will the Government revise the salaries of the police officers? Is the Assistant Minister denying that salaries for the police officers will be increased in February, 2004? Everybody knows that. He should deny or confirm that, that will be done.

**Mr. Dzoro:** Mr. Speaker, Sir, I have said that we have received the report and the Government will definitely take action.

**Mr. Sasura:** Mr. Speaker, Sir, could the Assistant Minister confirm or deny, when he is properly relaxed, that the Government has not increased the salaries of police officers and Administration Police by 114 per cent, which they are expecting in February, backdated to 1st July, 2003? Can he stand in this House and say that the Government has back-tracked on that promise?

**Mr. Dzoro:** Mr. Speaker, Sir, those are his words; that is not true.

**Mr. Mganga:** On a point of order, Mr. Speaker, Sir. You have clearly heard the Assistant Minister say that the Government promised that, in January, 2004, salaries of the police officers will be increased. At the same time, he has said that the Government is studying the report that has been presented to it and as soon as it is through, it will actually say what will happen. Is the Assistant Minister in order to continue confusing the House about the increment of the police officers' salaries? Could he be categorical as to when the salaries of the police officers will be increased?

**Mr. Dzoro:** Mr. Speaker, Sir, action will be taken and police officers will be paid accordingly.

*Question No.790*

REPATRIATION OF MONIES STASHED  
IN FOREIGN ACCOUNTS

**Mr. Sungu** asked the Minister for Finance:-

- (a) whether the Minister is aware that some prominent citizens of this country have stashed billions of shillings in foreign accounts; and,
- (b) in view of the poor state of the economy, what urgent measures he will take to ensure that the money is brought back to the country to help revive the economy.

**The Assistant Minister for Finance** (Mr. Katuku): Mr. Speaker, Sir, I responded to this Question on 1st October, 2003. It was Question No.636, which was asked by Mr. Titus Ngoyoni. In my view, to respond to this Question will be contrary to the Standing Order which prohibits a repeat of a Question within one Session.

**Mr. Speaker:** Very well. If that be the case, then we cannot deal with it.

**Mr. Sungu:** Mr. Speaker, Sir, may I say something?

**Mr. Speaker:** What?

**Mr. Sungu:** Mr. Speaker, Sir, I submitted this Question to the House a long time back. That was well before that other Question was answered. There is a slight difference here which I think the Assistant Minister is trying to avoid to tackle. Is he now challenging the Chair because the Chair approved this Question and the other Question?

**Mr. Speaker:** Order! I do not think the Assistant Minister is challenging the Chair. He is assisting it. If a similar Question was answered, then it is out of order to repeat it. I will look at it, and if it has been answered, it will not come to the House. If it has not, then it will come back to the House. I will have to look at the previous Question in the HANSARD and this one. In the meantime, the Question is deferred.

*(Question deferred)*

**Mr. Muite:** On a point of order, Mr. Speaker, Sir. As the Chair studies whether this Question has been answered before, we need your guidance as a House. Since the abolition of exchange control, no Kenyan is prevented from keeping his money outside. Maybe, the spirit of the Question is the money "stolen" from Kenyans and stashed outside rather than "legitimate" money belonging to Kenyans which is kept outside. There is no offence in keeping your money outside.

**Mr. Speaker:** Next Question, Mr. Kingi!

*Question No.804*

#### PENSION BENEFITS FOR MR. KARISA FONDO

**Mr. Kingi** asked the Minister for Finance what immediate arrangements he is making to pay, with interest, pension benefits for the late Mr. Karisa Fondo, Pension No.APN/PC/77273, who retired from the teaching service in January, 1993.

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

Following his retirement in January, 1993, the pension papers for Mr. Karisa Fondo were forwarded to the Pensions Department for processing. I admit that there was a delay in the processing of his retirement benefits. However, I am happy to report to this House that his benefits have now been paid in full. He was paid a gratuity of Kshs173,447.10 on 12th April, 1997, vide cheque No.053742 to Kenya Commercial Bank (KCB), Mariakani Branch, Account No.00109016712. Subsequently, he was placed on the pensions payroll and continues to earn pension at the rate of Kshs1,769.85 per month.

**Mr. Kingi:** Mr. Speaker, Sir, my research shows that the Assistant Minister has not understood the Question. In fact, he has misled the House. Mr. Fondo retired in 1993 but, on two occasions, his pension benefits have been misdirected. The cheque number the hon. Assistant Minister has quoted was supposed to go to KCB, Mariakani Branch, but it was not sent there. This matter was reported to the Pensions Department. On 12th March, 1999, they wrote another cheque No.105220 of a similar amount, but it was sent to KCB, Kericho Branch. Unfortunately, at that branch, somebody bearing the same names as Mr. Fondo of Kilifi, cashed it. This matter was reported to the police. I am sure the Pensions Department has that information---

**Mr. Speaker:** Mr. Kingi, could you ask your question?

**Mr. Kingi:** Mr. Speaker, Sir, if the Pensions Department was still investigating this matter in 2000, then this money would not have been paid in 1997. The Assistant Minister should tell us

who stole Mr. Fondo's pension benefits.

**Mr. Katuku:** Mr. Speaker, Sir, the information I have indicates that Mr. Fondo was paid his money. The information the hon. Member is raising is new to me. If he could liaise with me on those other developments, we could sort it out. However, as far as my records are concerned, we have paid Mr. Fondo.

**Mr. Mwandawiro:** Bw. Spika, swala hili kuhusu malipo ya uzeeni tunakutana nalo kila siku. Hivi sasa kuna watu wengi waliostaafu kutoka eneo Bunge la Wundanyi ambao hawajalipwa marupurupu yao ya uzeeni. Je, ni lazima nilete Swali hapa Bungeni ili watu hao walipwe marupurupu yao?

**Mr. Katuku:** Mr. Speaker, Sir, I would like to assure the hon. Member that we are doing all that is necessary to ensure that there are no more delays in the payment of pensions. Some of these delays are quite embarrassing. We are trying to streamline operations in our Pensions Department. From January this year, such delays will attract penalties according to the Pensions (Amendment) Bill that we passed here. Therefore, I would like to assure hon. Members that such delays will never occur.

**Mr. Kingi:** Mr. Speaker, Sir, I think there is a cartel in the Pensions Department that has a habit of misdirecting pensioners' cheques to wrong banks so that they can follow them up and cash them. I have another case here in point that I would like the Assistant Minister to address. Since Mr. Fondo has not been paid for ten years, could the Assistant Minister tell this House what immediate arrangements he has put in place to ensure that Mr. Fondo is paid, with interest, his pension benefits without any further delay?

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

**Mr. Katuku:** Mr. Deputy Speaker, Sir, the first issue the hon. Member raised about officers colluding to take cheques from pensioners is a matter we have addressed seriously in terms of engaging post office services, so that cheques do not get out of hand. We have now come up with a system whereby pensioners have opened accounts and their monies are sent to those accounts so that officers in the DOs' or DCs' offices do not tamper with this process. Therefore, what the hon. Member stated is not the case now. I have all the payment vouchers with me to show that Mr. Fondo was paid his pension benefits. However, the hon. Member may give me more information to investigate this matter further. I have the payroll here which shows the money was paid.

**Mr. Deputy Speaker:** Very well. Next Question, Mr. Lesrima!

*Question No.817*

CONSTRUCTION OF MILK COOLING  
PLANT IN MARALAL

**Mr. Lesrima** asked the Minister for Livestock and Fisheries Development:-

- (a) when he will consider putting up a milk cooling plant in Maralal; and,
- (b) if he is aware that a milk cooler donated to women groups in 1991 has been repossessed by livestock officers.

**The Assistant Minister for Agriculture (Mr. J. Nyagah):** Mr. Deputy Speaker, Sir, I beg to reply.

(a) Currently, the Government has no plans to provide such facilities as these are considered to be purely for commercial ventures, which dairy producers and processors should handle. The responsibility of Government is to facilitate the development of thriving dairy industry free of any interference.

(b) I am aware that a milk cooler was provided to Samburu Women Dairy Society (SWDS) in 1991. The group fell apart thereafter due to disagreements among its members and the milk cooler has remained unused. It is, however, still under the custody of the women's group and I am not aware of any repossession.

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, the milk cooler has since been returned to the women's group. Is the Assistant Minister aware that a co-operative which was formed requires facilitation in terms of vehicles to carry out extension services?

**Mr. J. Nyagah:** Mr. Deputy Speaker, Sir, I am not aware of what the hon. Member is talking about. However, I am aware that on 21st October, 2003, a new society called Samburu Dairy Farmers Co-operative Society Limited (SDFCS) was registered and has a membership of 20 men and ten women. Today, as I speak, under the chairmanship of the DC, Samburu District, various stakeholders are meeting to try and discuss how we can help their society, including the possibility of inheriting the cooler.

**Mr. Wambora:** Mr. Deputy Speaker, Sir, since the Assistant Minister is aware that the milk coolers retain milk for only four days, could he consider upgrading the cooler in Samburu West Constituency and the one in Runyenjes Constituency to packaging milk plants, so that we could also create employment as per the NARC Government's policy?

*[Mr. Deputy Speaker left the Chair]*

*[Mr. Speaker resumed the Chair]*

**Mr. J. Nyagah:** Mr. Speaker, Sir, it is the NARC Government's policy to encourage people in the industry and co-operatives to set up the kind of operations that the hon. Member is talking about. In the past, it used to be the policy of the Government to assist farmers with the cooling plants, but, today, it is not our policy to do so. Our policy is to encourage many private companies and co-operative societies to go into that business.

*Question No.758*

REVENUE COLLECTION THROUGH  
AIRPORT TOLL CHARGES

**Mr. Speaker:** Is Mr. Wamunyinyi not here? The Question is dropped.

*(Question dropped)*

*Question No.880*

MODERN TELEPHONE EQUIPMENT  
FOR GARISSA TOWN

**Mr. Speaker:** Is Mr. H.M. Mohammed not here? The Question is dropped.

*(Question dropped)*

*Question No.809*

## INCREASE OF COUNCILLOR'S SALARIES

**Mr. Marende**, on behalf of **Dr. Wekesa**, asked the Minister for Local Government:-

- (a) what the total remuneration for mayors of municipalities, chairmen of county councils; and councillors is; and,
- (b) what plans he has of increasing the councillors' salaries and when the increase will be effected.

**The Minister for Local Government** (Mr. K.E. Maitha): Mr. Speaker, Sir, I beg to reply.

(a) The total remuneration package for mayors, chairmen of county council and town councils, and councillors is pegged to the recommendation of each local authority and its ability to pay such a rate. Section 150 of the Local Government Act (Cap 256) requires that, the approval of the Minister for Local Government be obtained before a local authority effects the recommended rate.

(b) The Local Government Act does not provide for payment of salaries to councillors but makes provision for a flat rate allowance, as may be recommended by a local authority and approved by the Minister for Local Government.

As a result of dissatisfaction by some local authorities over disparities in the recent increases in allowances, the Government accordingly set up an Inter-Ministerial Committee to look into the financial and general health of the local authorities and make appropriate recommendations to the Cabinet. The report is ready for consideration by the Government and an announcement on the recommendations will be made soon.

While I thank the Members of Parliament for their concern for the councillors' allowances, I wish to table evidence of my Ministry's concern on increasing those allowances that were announced and because of disparities, were suspended awaiting the Government's recommendation by the Inter-Ministerial Committee.

**Mr. Marende:** Thank you, Mr. Speaker, Sir. About two months ago, the Minister held a meeting with the mayors, chairmen of councils and councillors and promised that he would give them a salary increment immediately. You will also recall that, after his Budget Speech to this House, a few days later, the Minister announced increases in the salaries of mayors, councillors, and chairmen of councils. Why did the Minister mislead the councillors and, in fact, took the whole nation for a ride when no increase was going to be forthcoming?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, if the Questioner had listened to my answer, he would have understood me. I have tabled before this House the increments which were made by the Ministry under Section 150 of the Local Government Act. He is a lawyer and he understands this; that in any year, all local authorities are supposed to forward to the Ministry their budgets. All those budgets include the increases of the allowances of councillors which do not require a lot of discussion for the Minister to approve.

We calculated the increases and that is why I have tabled them. They came to 25 per cent to the highest-paid councillors and 100 per cent to the lowest-paid councillor. We announced that, and after the announcement, some councillors from the far ends of the country wondered why a councillor in Nairobi should be paid 250,000 while they are paid 20,000 in Mandera District. Majority of local authorities officers came to my office with dissatisfaction on the increment, thinking that the Government was going to take over the payment of the salaries. We have suspended it and have not cheated anybody in this country. We suspended it because, the Government, through the Cabinet, has already appointed a Committee, it has already done its job

and the recommendations are ready. They have gone to the Cabinet and we are waiting. In case the Cabinet does not tackle this issue, then our Local Government will have to remain and we will tell the councillors to agree to the pay rise that we gave them according to the Act.

**Mr. Sasura:** Mr. Speaker, Sir, there is a possibility that this Inter-Ministerial Committee might decide to appease the councillors by increasing the percentage that has been awarded by the Minister, but, has been declined by the councillors because of disparities. In the event that the increase will be on the higher side, considering that most of our councils are economically disabled, how does the Minister expect the local authorities to raise these allowances in a situation whereby they are not even able to run their own councils?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, the increment done by the Ministry is in accordance with the enhancement of revenue done by local authorities. The work of this Committee appointed by the Cabinet is to look into the report on the increment of councillors' salaries including commissions like the "Omamo Commission" which recommended, including a Motion. Tomorrow, we are passing another one like that of Mr. Muriungi, and others all recommending that councillors should be paid through the Exchequer. Therefore, the Cabinet is studying that and it will come out with recommendations that I cannot predict.

I am, therefore, sorry to say that I do not know what they will recommend but, if they agree to what you are saying, I will come and tell the House what we shall do.

**Mr. Speaker:** Last question, Mr. Marende.

**Mr. Marende:** Mr. Speaker, Sir, what action is the Minister taking to ensure that after the increases are made, there will be no disparities, so that there are no extreme differences between different local authorities?

**Mr. E.K. Maitha:** Mr. Speaker, Sir, as the law stands now, it is very clear that any local authority is going to sit and agree on what percentage a councillor is supposed to get following their revenue collection in their respective local authorities. I cannot promise this House that Mandera Municipality which collects Kshs1 million a month can pay a councillor Kshs250,000. However, God willing, if anyone comes up with a resolution and says that money will come from somewhere to pay the councillors in a uniform rate, then we will help the residents who are paying the revenue.

*Question No.883*

ISSUANCE OF TITLE DEEDS TO  
SERGOIT RESIDENTS

**Mr. Chepkitony** asked the Minister for Lands and Settlement:-

(a) if he is aware that State land L.R No.883/2, formerly known as Sergoit Holding Ground in Uasin Gishu District, was given out by the Government for settlement; and,

(b) what steps the Ministry is taking to issue *wananchi* who have been settled there with title deeds.

**The Assistant Minister for Lands and Settlement** (Mr. Ojode): Mr. Speaker, Sir, I beg the indulgence of the Chair to, please, defer this Question until Tuesday next week because the answer which I have is not quite satisfactory. I have already spoken to the Questioner.

**Mr. Speaker:** Mr. Chepkitony, what is your reaction?

**Mr. Chepkitony:** I have no objection.

*(Question deferred)*

**COMMUNICATION FROM THE CHAIR**

## SUPPLEMENTARY ORDER PAPER

**Mr. Speaker:** Hon Members, we have come to the end of Question Time. I wish to bring to your attention the existence of a Supplementary Order Paper. We will proceed under the provision of the Supplementary Order Paper. By the way, is Eng. Muriuki here? No, he is not here. Next order.

**POINT OF ORDER**STATUS OF CONSTITUTIONAL  
REVIEW PROCESS

**Mr. Oloo-Aringo:** Mr. Speaker, Sir, I rise to seek a Ministerial Statement from the Minister for Justice and Constitutional Affairs on the future of the Constitutional Review Process.

I am raising this because yesterday, the Chairman of the Constitution of Kenya Review Commission, and two dozen delegates were blocked from accessing their offices; the offices of the National Constitutional Conference at the Bomas of Kenya Complex.

Mr. Speaker, Sir, we want to know why the Government had to use maximum police force because, this time round last year, I was one of the delegates who braved it and went to the Bomas of Kenya. We were preparing for the National Constitutional Conference, but the Government, at that time of former President Moi, scuttled us from the Bomas of Kenya. What is the difference between that action of that Government and the present Government which was elected on reform agenda? It is for this reason that you must give an opportunity to the Minister to give the Statement to explain this to us because Kenya is sending wrong signals, both to the public as well as the friends of Kenya. I wish to ask him to do so as soon as possible.

**Mr. Speaker:** Very well. Is the Minister here?

**The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae):** Mr. Speaker, Sir, we shall issue the Ministerial Statement on Thursday.

**MINISTERIAL STATEMENTS**

## LEASING OF KEEKOROK LODGE

**The Minister for Local Government (Mr. E.K. Maitha):** Mr. Speaker, Sir, last week Mr. ole Ntimama asked my Ministry to give him a Ministerial Statement on Keekorok Lodge in Narok County Council.

Following submissions made to my Ministry by the two Members of Parliament from Narok District, over improper leasing of Keekorok Lodge by Narok County Council to M/S Wilderness Lodges Limited, without following the laid-down Government procurement procedures as per Legal Notice No.51 of 2001, I issued orders to cancel the lease on 13th September, 2003. I also ordered that the Keekorok Lodge be advertised internationally as it is a reputable world famous lodge. I also ordered for disciplinary measures to be instituted against officers of the council and in my Ministry, involved in the incident including suspension of the Clerk of Narok County Council. This order still stands.

However, since I issued my order various interest parties have gone to court to contest my orders and I have also received the following restraining orders: High Court Miscellaneous Civil Application No.1350 of 2003, High Court Civil Case No.881 of 2001, consolidated with cases No.878, 879 and 880 in the Court of Appeal at Nairobi, Civil Appeal No.27 of 2003. Under the circumstances, my hands are tied until the above cases are finally determined by court.

EXTRAORDINARY INSPECTION  
TEAM FOR NCC

The second Ministerial Statement was requested by Mr. Mwenje. On the 11th November, 2003, Mr. David Mwenje, MP for Embakasi, requested for a Ministerial Statement on the extraordinary inspection team for Nairobi City Council. I pledged to make a Ministerial Statement to this hon. House which I beg to make as follows:

The appointment of an extraordinary inspection team for Nairobi City Council was necessitated by the recent and still ongoing public outcry by Nairobi residents on the deteriorating level of service delivery by the Council. The appointment of the extraordinary inspection team is in accordance with Sections 231(1) and 245(1) of the Local Government Act which states, *inter alia*, that the Minister may from time to time appoint one or more persons as Local Government Inspectors to conduct extraordinary inspection and examination of the accounts and records of local authorities. An inspector so appointed may institute such inspections or examinations into any aspect of the accounts and records of any local authority that he deems necessary.

**Mr. Maore:** On a point of order, Mr. Speaker, Sir. The Minister is repeating exactly what he said about half an hour ago regarding a question by Mr. Sirma. Is it allowed to have two records of the same issue?

**Mr. Speaker:** If he has already said it under Question why repeat himself?

**The Minister for Local Government (Mr. E. K. Maitha):** Mr. Speaker, Sir, I am reading a Ministerial Statement and I should read it the way it is written.

**Mr. Speaker:** Is the essence the same as the reply you gave to that Question?

**The Minister for Local Government (Mr. E. K. Maitha):** Maybe the person who wants to understand this Ministerial Statement does not know what I have read. So, if they have understood then I have read it and that is what I have said.

Thank you, very much.

PERSONAL STATEMENT

INVITATION TO APPEAR BEFORE PIC

**The Minister for Transport and Communications (Mr. Michuki):** Thank you, Mr. Speaker, Sir.

With your indulgence and under Standing Order No.69, I would like to make a Personal Statement regarding developments that followed my acceptance of the invitation by the Public Investments Committee to appear before them over the issue of cranes at the Port of Mombasa.

Following that meeting, someone within the Committee whom I happen to know and about whom I am prepared to give evidence before the Privileges Committee, leaked falsehoods to the Press that I was humiliated before the Committee, apologised and accepted that I did not follow the law.

I want to say the following: I explained before the Committee what I did and why I did it. At



no time was I asked to apologise and at no time did I ever apologise to the Committee because there was nothing to apologise for. The Kenya Ports Authority Act gives the Minister powers to communicate views of a general nature especially on financial matters to the board. The only means of doing so is through the Managing Director who is the Chief Executive of the Board.

I, therefore, want to state here that I followed the right procedures by communicating my views to the Board through the Managing Director which is the accepted means of communication to the Board. In all fairness, the Committee should, therefore, apologise to me if it has not taken steps to discipline the person who passed this falsehood to the Press.

Thank you, Mr. Speaker, Sir.

**Mr. Oloo-Aringo:** Mr. Speaker, Sir, this is an unusual trend when, for example, individuals who are summoned to Committees can, before the Committee brings the Report to this House, come to the Floor here and acquit themselves. Would you accept that this is the correct procedure instead of waiting for the report of the Committee?

**Mr. Speaker:** In fact, unprocedural things lead to other unprocedural things. It is against the rules of the House for Members of a Committee to disclose what transpired before the Committee. It is not the Committee which is breaching the rules, but individual Members of those Committees leading to reports in the Press on information that the Committee may have or may not have received even before it is brought to the House.

This is totally wrong. For the second time in as many weeks, I again appeal to hon. Members to abide by the rules! Please abide by the rules. This will stop all this. I am sure hon. Members would not want the breaching of the rules. Could all hon. Members, please, abide by the rules? I hope this will be the end of this issue. I hope all of us will be honourable enough to follow the rules as they are. I think that is all I can say.

**Mr. Nyachae:** On a point of order, Mr. Speaker, Sir. I accept what you have said. However, you must have heard when the Minister started addressing the House, he mentioned an hon. Member of the Public Investments Committee (PIC), who he is prepared to reveal before the Privileges Committee of this House. He has mentioned that to this House, and hon. Members of the Public Investments Committee are hon. Members of this House. Therefore, he is talking about an hon. Member of this House. Could he, please, through you, tell us who that hon. Member is?

**Mr. Speaker:** Order! Mr. Nyachae, you want me to perpetuate all this, which Mr. Oloo-Aringo is asking me not to perpetuate? Is it not right that I stop this?

**Mr. Nyachae:** Mr. Speaker, Sir, my concern, and could be the concern of this House is that, we have several hon. Members of the Public Investments Committee and other hon. Members who are not in that Committee and they are going to walk out of this Chamber wondering who that person is. Is he an hon. Member from my party, FORD(P) or another party? We want to know so that we can go and tell that hon. Member not to behave like that.

**Mr. Sungu:** On a point of order Mr. Speaker, Sir. In addition to what Mr. Nyachae has said, I am concerned about the precedent we are creating here today. These are Committees of the House, and whatever goes on out there has not been recorded in the HANSARD. Those are newspaper reports which may be true, false or fictitious. But what goes on in this House must be serious business which is going to be recorded for history, and therefore, if you allow Ministers to come to this House and challenge the work of Committees for whatever reason, then, in my humble opinion, we are eroding the dignity of this House. This is because the Committees will never be able to summon any other Ministers again. Therefore, I humbly request you to at least admonish the Minister for bringing this matter to the House.

**Mr. Speaker:** Order! I am glad. I am absolutely glad that Mr. Sungu has joined the Speaker in ensuring that there is dignity in this House. That is what I exactly said yesterday. Now, for those

hon. Members who after they have had a meeting - not only with Ministers but with anybody else - in their various Committees, go and leak information not authorised by the Committee, they are breaching the rules. They are abusing trust, and they must stop it. What we should do now, because apparently this situation might get out of hand, if there is continued breach of these rules, we may ask the House to take action in order to restore order and the dignity of the House. I hope that this is the last time we have this, and I hope it does not occur again.

Further, last week I said - and I repeat for the benefit of all Ministers and even the general public - Committees have power in their corporate entity, in the prescribed manner, to invite anybody before the Committee to give any information. I said that here and I wish to repeat again, that we will facilitate the appearance of any persons required by Committees because the intention is, Committees as the watchdog of society must be empowered, and they must have the ability to ensure that our oversight role as Parliament is implemented. We wish to strengthen the oversight role of the Legislature. So, please, follow your rules. We will get everything at your disposal as Committees, but please, do not breach the rules. I think I have made myself absolutely clear.

Hon. Members must understand that in their corporate entities, it is the House that sanctions hon. Members who do not respect the rules of the House. It is also the House - not the Speaker alone - that ensures that there is no abuse of the rules. It is the business of the House together with the Speaker to ensure that the integrity of the House is retained at all times. I seek your support as a House to restore that because I cannot do it alone. I suppose I have finished!

**Mr. Omingo:** On a point of order, Mr. Speaker, Sir. I thank you a lot for your ruling, and I have no reason whatsoever to doubt what you have said. However, as you seal this matter, I feel I was wrongfully crucified last week when I was not here, arising from Press reports which were brought to the Floor of the House. What should go on record is that, I did not attend any funeral, and I have not summoned anybody. What I said, and it should be on record is that, anybody involved in graft should resign like the Judges did. I would also like to repeat today that, that is what I said and I stand by it.

**Mr. Speaker:** Very well! Mr. Omingo, I have no quarrel at all in your waging war on graft. In fact, you have my moral support. Now, if you never issued any funeral summons, I am sorry! I am really sorry if you never issued any funeral summons. So, please, relax, but continue with the good war of fighting graft.

**Mr. Maore:** On a point of order, Mr. Speaker, Sir. As a way of bringing an end to this problem of secrecy of Committees, I thought we were in the process of making those Committees public, so that we will not have any secrecy surrounding them. What do we do in the meantime to avoid this kind of embarrassment where an enemy of somebody may go and misuse information?

**Mr. Speaker:** Well, first and foremost hon. Members, we are hon. Members, and hon. Members are not driven by malice. Hon. Members cannot tell untruths. Hon. Members must speak the truth always. So, that must be our guiding principle. However, that is the direction we are going.

**Hon. Members:** Yes!

**Mr. Speaker:** Order! In fact, it is just the designs that are left, we should be moving from this Chamber soon to go to the Old Chamber so that we have live broadcast from here. It is also our direction that we also make the Committees open to the public. But in the intervening period we should behave honourably because even if we have live broadcast and we tell untruths, we will still be dishonouring ourselves.

In the meantime, I still plead with you honourable colleagues, brothers and sisters, let us remain honourable and truthful at all times. I think that ends it all now.

Next Order!

**BILL***First Reading*THE GOVERNMENT FINANCIAL  
MANAGEMENT BILL

*(Order for First Reading read - Read the First Time - Ordered to be referred to the relevant Departmental Committee)*

**MOTION**

## ADOPTION OF ELEVENTH PIC REPORT

THAT this House adopts the Eleventh Report of the Public Investments Committee on the Accounts of State Corporations laid on the Table on the House on 3rd July, 2003.

*(Mr. Muturi on 11.11.2003)*

*(Resumption of Debate interrupted  
on 13.11.2003)*

**Mr. Speaker:** Who was on the Floor? Is Mr. Githae here? Mr. Githae, you still have some time. Are you still interested?

**The Assistant Minister for Justice and Constitutional Affairs** (Mr. Githae): No, Mr. Speaker, Sir.

**Mr. Speaker:** Anybody else? Mr. Omingo?

**Mr. Omingo:** Mr. Speaker, Sir, the Report before us is by one of the watchdog committees of this House. The Report is made for the purposes of ensuring that taxpayers' money is spent for the purposes intended. The NARC Government was voted to power on the platform of change and the fight against graft. The President has, in several speeches, mentioned categorically that he is determined to fight graft. I think that a watchdog committee is supposed to look at issues that are current or about to come. I say that with a reason that you cannot employ a dog to watch over dead bodies. You employ a dog to guard a home to make it safe for anybody to inhabit. For that reason, I ask the House, through the Standing Orders Committee, to move with speed and amend some very outdated Standing Orders that are an impediment to the operations of this House.

One such impediment is Standing Order No.161 that keeps on telling the entire world that whatever we discuss in this House is supposed to be private. You also know for a fact that, when people hear what has happened in the past, that, in itself, is a deterrent measure. When somebody is talked to in public, that, in itself, is a deterrent factor in terms of fighting graft.

Mr. Speaker, Sir, now that the Kirwa Committee has completed its work, and we are waiting for the operationalisation of live broadcast of the House, which I believe extends to the Committee work, it is important that, that Standing Order is quickly and expeditiously amended through the Standing Orders Committee, which I am grateful to note that you are chairing.

Mr. Speaker, Sir, the watchdog Committee's work has been rubbished in the past. It has

been rubbished because recommendations after recommendations are made and no serious action is taken.

Mr. Speaker, Sir, a case in point is that our Standing Orders do not provide for sanctions or prosecution of offenders or financial "mismanagers". We need to move quickly like the case in Uganda where the Public Accounts Committee, Public investments Committee and the Local Governments Account Committee actually investigate and take evidence with the Special Branch or the Criminal Investigations Department. Upon getting people who have infringed the rules of the House, they are actually taken immediately for further interrogation. That way, our work will have credence.

Mr. Speaker, Sir, arising from that, Chief Executives of State corporations have been flouting the rules of the game with impunity, simply because those records come five years down the line. Even before you get the person who stole the money, he would have constructed a house as big as this Parliament and collected rent for four years. Even if you want to take the property, he would have earned rent from the same money that he stole. Our Standing Orders need to be changed. Through you, we request you to facilitate that because you are in the steering wheel of this matter.

Mr. Speaker, Sir, as much as the Public Investments Committee (PIC) keeps on looking at the past, it is important that we also focus on the future. That is because it is that past that impacts on the future. It is what happens today that is going to be history to be looked into tomorrow. For instance, a case in point is that of pending Bills. You cannot watch a child breaking glasses in the House in the hope that the child will grow up tomorrow to take responsibility, instead of guiding the child as he grows older. It is for that reason that I feel the issue of watchdog Committees watching the dead and doing postmortems on dry bones is an archaic practice that we must abandon! If that Committee has got to make sense to anybody, and if those reports have got to make sense to any living creature, we must be current. We intend to make proposals on having an action-taken column in each recommendation. The Treasury Memorandum which comes a year down the line is a shameful thing and does not make sense! It is at this point in time that we want to insist that, even what is happening today, Parliament as the provider of funds, be privy to it.

Mr. Speaker, Sir, something has happened and I was amazed today. I am not even against the Jamhuri celebrations. But the Minister unilaterally announced that we are going to have celebrations from 1st December to 12th December. I am not too sure whether we have those funds. I am not sure whether those funds have been provided for. I am not sure---

**Mr. Speaker:** Order, Mr. Omingo! Have you not put a Question to that effect?

**Mr. Omingo:** Sorry, Mr. Speaker, Sir! I did not know it will come to your attention! I will withdraw and wait for the right time to come.

**Mr. Speaker:** Well, you had better do! I am very attentive all the time.

**Mr. Omingo:** Thank you, Mr. Speaker, Sir. I was saying that what happens today must be checked. As I said earlier, you cannot wait for a child to grow without guidance, and then expect him or her to be a good citizen tomorrow.

Mr. Speaker, Sir, paragraph two of this Report talks about banking of monies in collapsing banks. The recommendation reads:-

"The Committee reiterates the previous year's recommendation that chief executives do not bank monies in Trust Bank".

They banked! Results: Trust Bank sank with the National Social Security Fund (NSSF) money and other peoples' funds. That is a previous year's report and the Committee is reiterating it! But the chief executive officers went ahead and invested the money. Some "ate" the money. They were arrested and some of them are now free enjoying the same loot! We are saying: "Could we be

proactive?"

I am not casting aspersions against the Attorney-General, but he has once been on record has having said: "I am sorry I could not do it because of the excesses of the Executive!" What are we supposed to do when an honourable responsible officer with constitutional powers cannot discharge his mandate? The reports are just a bunch of nice firewood good enough for lighting fires. But I am saying that we can remedy that situation. We can correct that mistake because I believe that this House is pro-reforms. This House wants to revise what was wrong in the past and correct it for the sake of the future. What we are saying is that you cannot watch an item being spoiled for the sake of a clause that is an impediment to operations. Let us take courage as Members of this House and amend the Standing Orders. That will enable us to move forward and, perhaps, be more active than before.

Mr Speaker, Sir, there is a Public Audit Bill that I plead and pray that it sees the light of day in this Session. It is a Bill that can help us a great deal in this House. If this Bill is enacted the Controller and Auditor-General will have the capacity to capture those things as they happen, bring a report to this House and we can address them. It is true, and you have seen in the past as well, that corporations, including the Government, have actually acted against the Constitution and later, when you ask, they say the Chief Executive of that organisation has now been suspended or transferred. One wonders, when somebody errs, do we have to transfer that person? In this report, it says the officer that did this wrong was actually fired. The man was fired and let go scot-free, even when there was evidence of him going against the operations of State Corporations. The man went free. The interesting thing is that some of the expenditures in these corporations are not justified. A case in point is, if I have a lawyer friend of mine to reward, what I will do is to create a job for him to collect funds for me. For example, in the Kenya Sugar Development Fund, the lawyers wrote demand letters. When they wrote demand letters, the defaulters paid directly to the corporation. In this instance, no case went to court and the service of the lawyer who was paid Kshs28 million was a nullity. This was a clerical business, and the legal officer or the Company Secretary could have issued demand letters and the corporation would have saved Kshs28 million. We are again saying that this extravagance in the public sector has pushed our children into a debt burden of about Kshs40,000. Each child born today shoulders that burden. It is a pathetic situation. Why are we saying this? It is because of the extravagance in the executive. I believe that the Government of the day that was elected with the mandate of Kenyans will rise up to the occasion. If they do not do so, one year down the lane, they have taken stock of what is happening. It has four years ahead of it. Some of my great friends whom I knew had sanity, have refused to heed the voice of reason. The English saying puts it that, power corrupts, but absolute power corrupts absolutely.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

This is what I am saying. Some people who are very close to people with power and money are now seeing other people ten metres above their heads because it is such a strain to look down a short man like Magara with power and money. History will judge us very harshly. Some men who were upright thinking Kenyans have actually gone berserk now, walking on their hands in the name of power and money.

*(Applause)*

The men and women who were upright thinking Kenyans today are walking on their heads as opposed to walking on their legs. The reason? Power and money.

It is interesting to note that under one of the past recommendations, it was stated categorically that in the future, we shall appoint State Corporations directors who have got relevant experience in the specific fields. Instead, year in year out, we are actually rewarding people with political patronage, people close to our hearts and our friends and relatives. I want to also believe that it is happening today; that, even the ministers who are gazetting some directors who have no relevant experiences, they are rewarding their cronies, their campaign agents. Instead of having them to manage sewerages, they are being rewarded to man financial institutions and very vibrant State Corporations. I am saying, let us count our stock now. We have gone one year down the drain.

I mentioned a while ago about the grim picture painted on the Kenya public debt. It is a shame to learn that 65.9 per cent of the Gross Domestic Product (GDP) is in public debt. What a shame for a country that was the pearl of Africa, a country whose currency was changing at seven shillings to the US Dollar! Today, 66 per cent of the GDP is in public debt and domestic debt. As a result, and I want to repeat this for the benefit of hon. Members, that translates into Kshs40,265 to every child born today to bear. As a result, the big boys have enjoyed their money. They are driving big cars, and the trend is continuing. This trend must stop. When we do serious business for this nation, let us find out what benefit and relevance it has to our Kenyan population.

Let me now address the issue of extravagance in terms of procurement. I know of a corporation in town today, because of the blue eyed boys of the system, a system we swore to remove last year, the Chief Executive, Deputy Chief Executive, Chief Accountant, Internal Auditor and the Secretary to the Board are all from the same clan. What sense do you get out of that corporation? What rationale are you going to get out of that corporation in terms of decision making, prudence in investment, justification of expenditure? It is all nonsense. This Government must rise to the occasion.

The Committee recommended on page four that the Chief Executive should ensure that procurement procedures are enforced without exception and effective internal controls put in place. I want anybody who knows management today to tell me whether it would be rational for a husband and wife to instill control or check one another for financial prudence. It would never work. An institution like the one I have just talked about, having the top cream all from the same clan; you do not expect anything apart from looting and misappropriation of funds.

We saw the Permanent Secretary, Ministry of Finance issue unilateral orders for some corporations to procure insurance services. This happened in the last two to three months. This is one thing we must all stop to reflect because what is happening today is going to be usual tomorrow and these watchdog committees must not sit in the past but must lead today. It reminds me of a saying that you cannot teach an old dog new tricks. It is unfortunate that some of the ministers in the NARC Government today are old dogs and teaching them new tricks today is a fallacy. The Permanent Secretary, Treasury, issues directives to a corporation to actually procure automatically without bidding, without manifests, everything else is straight; this is the bid, proceed. And we are pretending to alleviate poverty! We cannot alleviate poverty unless we look into the affairs of these corporations which are meant to generate dividends to ensure that Kenyans are well taken care of because this is taxpayers' money. You know for a fact that we are actually the most heavily taxed nation in the world. We do not channel our taxes to effective productivity. We are also not behaving like decent Kenyans, although illiterate persons voted for us, in anticipation of change. With due honesty, if we keep on infringing---

Mr. Deputy Speaker, Sir, we have been discussing a matter concerning the Kenya Ports Authority (KPA) here. Whether we pretend that this happened or never happened, there was

interference. The Ministers who were involved have even confessed. Could we steer clear of these corporations? Let the Chief Executives of those corporations manage them and bring them to account if they fail. But if we interfere with them and tell them that the Government will guarantee this bloody company which has got no cash to supply the cranes--- This is the case, and yet they keep on saying that we should not talk about it. I would like to assure you that if the public could not have known about the KPA saga, the Kshs1.5 billion would have gone, whether you agree or not, I stand to be corrected. If the people did not raise eyebrows, that could have been done. People cannot sit back simply because they are a watchdog looking at the skeletons and bones. We cannot just wait until our "wives and girls" are raped so that we can investigate tomorrow. We must stand up to the occasion today and say that a wrong is a wrong.

Mr. Deputy Speaker, Sir, I do not understand how some of us can go to public offices and say that they are hon. Members of Parliament in charge of a particular corporation. After looting it, then they go to their wives at home and tell them that they are from work. They do this expecting their wives to give them water to shower pretending that they are from their places of work when they have pushed Kenyans into abject poverty. We will say it! Be it in the PAC or in the PIC, we shall talk about the wrongs committed today because they will not be a right tomorrow. I may not be able to speak about this as the Chairman of the PAC. But as a Kenyan interested in the nation called "Kenya" in which I have shares, I will say it. It does not matter what anybody thinks about it. I will say it. It is for that reason that we must stand up to fight for our integrity and state our position as Kenyans.

We cleared this matter of my Committee being declared redundant by the Speaker. Since he apologised, I am taking it with a pinch of salt. My Committee was rubbished last week---

**Mr. Deputy Speaker:** Order, Mr. Omingo! That matter should not be revisited. I believe that the Chair ruled over it and we finished the matter. If you want to talk about a matter that was dealt with last week, you are out of order! Could you contribute to the Report you are holding?

**Mr. Omingo:** Thank you, Mr. Deputy Speaker, Sir. I am also the Chairman of one of the watchdog Committees. That is the unfortunate thing. It was said in black and white that I must look at the "dead bodies". I am sorry, I will not look into the past. I will talk about the KPA today, if it is there. That is the story. Finished! I am sorry, if I infringed upon anybody's interests.

There is an issue of re-cycling Chief Executives. Some corporations were formed to get money from other corporations, give it out to some imaginary ADC farmers, and then the Government guaranteed these loans. The guarantee is from the taxpayers' money. What are we talking about? It is these re-cycled Chief Executives who have been strategically put there to loot the money because the Government will guarantee the loans. A good example is the National Bank of Kenya's list of shame. The Chief Executive is reluctant to address those issues. True to that word, the NBK was bailed out by taxpayers' money. That is the irony of the matter. That is how shameful it is. That fellow was posted there to make sure that he opens the pipe to drain water into somebody's garden and then it is coked after the dam of "X,Y,Z" is filled.

As a Kenyan, I am worried today because the trend appears to follow what used to happen in the past. I have been on record as saying, and I will repeat it, that if the NARC Government does not watch its steps, and history will vindicate one; it will take this country deeper down the drain in one year than the former President took us in 24 years. I will repeat this for clarity. If this Government does not watch its steps in terms of its mandate, in one year, we will move to where KANU took us in 24 years.

Sincerely, speaking in my heart out, I really felt that the change was appropriate. This change is almost a disservice to some of us. It is good that I am not in the Government side because there is shame in what some of the Members in that side are doing. It is a shame because it does not

matter what competence you bring in the Civil Service, but who you are, where you belong and what language you speak is what matters. It is good I am not in the Government. Maybe, I will cross over to the Government side when the right time comes.

Some of our friends on the Government side have not lived up to the expectations of Kenyans. Whether you are running a butchery or a kiosk, which sells only Coca Cola, and as long as you are a good boy, I can assure you that you will be appointed a Chief Executive of a corporation. I wish I was running a kiosk and could speak a particular language, maybe, I would be one of them. Could we stop this business of re-cycling Chief Executives who mismanage one corporation and they are transferred to another one, to run it down even more? They know them.

For your information, we will stop talking about the former President, Mr. Moi, soon. This is because the NARC Government took over power actually in January, 2003. If I was in, I would have asked somebody to say "Amen!" NARC's history started in January, 2003. When you live for one year, people forget that Mr. Moi was buried one year ago. Next year, NARC will be one year old. People have been shouting that former President Moi did this and that. Those who are shouting the loudest that former President Moi did this and that, were in that bandwagon before with him. But the NARC Government should remember that its history and actions started living in January, 2003. So, we want to take stock of what the NARC Government has done since January, 2003. So, they should live today and not tomorrow. Even if they pretended that Mr. Omingo should look at the bad things former President Moi committed, two years down the line, the NARC bones will be removed from the cupboard. Who will be there to protect you? But you are saying that former President Moi and "X and Y" did this and that. If I were you, I would focus more specifically on how I will win the elections in the year 2007 by doing the right things. I am sorry to say that some of my colleagues I held with integrity were mentioned adversely. Surely, if I told them to resign by mistake, I must also apologise. But, indeed, it was actually a shock to me that some people whom I held in high regard were mentioned.

The contents of the procurement of the KPA will be in this Report, maybe, two years from today, and colleagues will be mentioned there. If I made a sweeping statement against one of my colleagues here whom I have high regards for--- I respect Prof. Anyang'-Nyong'o. I am sorry if I made that error. But truly, it is good to correct each other as we go on. One thing is certain; a good friend is not one who keeps telling you that you are a great man. Sometimes, a good friend can also correct you and tell you: "Brother, you are getting out of focus." Let us live our generation and let us live our time. Let us give Kenyans a legacy that anybody else would like to focus and say that the NARC Government was in power from 2003 to 2007. When we die, I am not too sure whether people will mourn us. I can assure the Chair that no tears will flow down Kenyans' cheeks. I do not think anybody will shed tears when some of us die because of our conduct and behaviour. If they must shed tears, I can assure your that they will use their saliva to pretend that they are crying. This is because we have no legacy to leave behind.

Some Members who were very good civil society workers are now singing some music I cannot believe. I cannot believe some music I am hearing. Some music is impossible to hear. You can imagine an angel for Christ singing Raggae music tomorrow. This is not possible, but it is happening today. An angel who was supposed to proclaim Christ is singing "*Jah* the people". That is the lesser angel we are talking about in a short while. I am wondering what we are going to do with our people in about six or seven years. Let us, therefore, stand up to the occasion. As I said earlier on, I have tremendous respect for this Government but, unfortunately, there are things that have gone amiss.

Mr. Deputy Speaker, Sir, another interesting thing in some Government corporations is that when replacement is done, it is in a lopsided manner yet taxes are collected from all Kenyans to run



them. About 80 per cent is given to a particular region that speaks a common language and the other 20 per cent to the entire Kenyans to share. Whether you get a full cake or half of it, that is your problem. Are we saying that this is the picture we want to paint? Between December and January this year, Kenyans were one people. When Mr. Raila said "Kibaki tosha", Kenya became one and from January to March, it remained so. However, today because of this issue that I am telling you about, the running of these institutions through lopsided appointments and the giving of positions to people because they speak a particular language, we are having these problems. Kenya is about to be fragmented more than ever before. We were a Kenyan people in January but today we are Kenyan tribes. Shame on us!

Challenge me anywhere and I will give you statistics. Anyone who wants to do that can walk out with me and I will give him wonderful statistics that he will not want to look at again. It is a shame and a moral insult to Kenya's integrity. We must stand up to the occasion and live today. Let us change the issues that were there before. Let us give the Office of the Controller and Auditor-General powers to do these Reports more currently. Let them even pay salaries and recruit staff other than having to do so through the Treasury. When the Treasury does not want them to move fast in their work, it withdraws a few staff and because of that the Auditor-General (Corporations) is rendered incapacitated. It is important then, that as we move forward, some of these Bills which are about to come like the Public Audit Bill, need to be harnessed. We should give the Auditor-General (Corporations) powers to move on, both in terms of human resource and financial assistance.

Finally, I want to make a passionate plea to the NARC Government. Let us set precedence by prosecuting all the offenders who have been mentioned in these Reports, as an example. Could we lead today and could the Government address the issues of today and stop using scapegoat? For sure, whatever has a start has an end. Also remember that Mr. Moi's era came down and so could NARC's.

Mr. Deputy Speaker, Sir, in terms of counting stock, what would you have in stock for your people; those who do not belong to your region but to this nation? The integrity upon which the President is talking about fighting graft must be seen both in words and deeds. Let us not fight graft by virtue of public statements but in deed.

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 giving me this opportunity to speak on this very important subject. I fully share the sentiments of my brother, Mr. Omingo.

*(Applause)*

He was very passionate in his contribution because of his concern for public resources that have gone to waste in some of these corporations. We are dealing with a postmortem as these Reports usually deal with events that have already taken place. Most of the times, we are trying to close the door after the horse has already bolted out. However, that itself does not in any way reduce the magnitude of the problem that needs to be faced.

I share the view that we need to confront this issue squarely so that we can have a lasting solution to this problem. Year in, year out, we get Reports from the Committee lamenting on the looting of public resources in some of these corporations.

However, I would like to say on a more positive note that the Government is currently in the process of reviewing the relevance of some of these corporations with a view to either recommending scraping, revamping or improving on their management. I believe very strongly that the cause of the problem that we have is the manner in which management of these corporations

was sourced. It is in the way in which recruitment of the management was done. The idea of having these corporations was to supplement and compliment services that are rendered by the Government. There are some of them which are service corporations which are essential. Some are research institutions which provide critical functions, some are involved in production while others are regulatory in nature.

Mr. Deputy Speaker, Sir, we, therefore, need to rationalise and look at their values and see which ones have outgrown their usefulness and need to be scrapped. All of these corporations are constituted by Acts of Parliament. If you look at the Constitution, Acts of Parliament are very clear and most of them provide for autonomy of those corporations. However, there is the State Corporations Act, which is put on top of these corporations. This Act needs to be revised because as it is, it is archaic and an impediment to efficient running of these corporations. Most of the Acts vest some responsibilities on the Minister. Some of them provide clearly how the Board is to be constituted. They also provide how top management is to be recruited and appointed. However, you will find that most of the times, those provisions have been flouted. For example, the Act provides that the Minister shall appoint a Board of Directors. Some of the Acts also provide that the Minister or the President shall appoint the Chairman of the Board on recommendation from the Minister. But, these provisions are usually flouted. In fact, in the past they were flouted with impunity so that the Minister merely heard that the Board had been appointed.

From my personal experience as a Minister for Energy, I only read in the Press that the Electricity Regulatory Board had been temporarily dismissed and another appointed without my knowledge. Another letter came to me from the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service informing me that so and so had to be appointed as the Company Secretary. Moreover, it said that the Government had decided. I then wondered who the Government was since I was a Minister of the Government.

So, in the past, all these provisions were flouted. Therefore, these boards were basically used to reward friends, relatives and political supporters. The appointments did not consider suitability, let alone, qualifications of the people who were being appointed to manage these boards. So, what we are engaging in is a crash programme because we needed to fill the vacuum. However, I want to assure the House here that we are in the process of coming out with clear policy guidelines as to how recruitment will be done in the future. The board appointed should consist of men and women of integrity who really understand the nature of the business that they are supposed to be in charge of. Secondly once the board has been appointed, it should advertise the position of Chief Executive to make it competitive so that people can apply for the position. They should then be shortlisted, invited for interviews and only those who are competent should be appointed. It is only then that we will be able to restore meritocracy. Once the chief executive has been appointed, the rest of other senior officials will also be appointed on the basis of competency. Senior positions of the heads of departments and so on are supposed to be advertised.

Mr. Deputy Speaker, Sir, when we introduce sound commercial principles of management, these corporations will be run commercially and viably. Why is it that the British American Tobacco Company (BAT), BP Shell Oil Company, or General Motors are making profits all the time? They do not have so many other boards appointed for them. They are themselves responsible and answerable to the shareholders of those companies. If they cannot perform, they are fired straight away. However, what happens in the State corporations is that if someone cannot perform in one board he is appointed to another board. This is what Mr. Omingo was talking about; recycling of these people as if we do not have any other qualified people. So, you find people appointed to head parastatals, but they end up looting. Once they have looted them dry, they are then transferred to some other boards to go and do the same mess again. So, year in, year out, this report is full of

looting; larceny on a grand scale, committed by people who are known. Recommendations are made for the Executive to take action, but no action is taken. We have here a report of Nzoia Sugar Company, showing many senior people and some hon. Members of this House, who were paid very huge amounts supposedly as legal fees, just for writing letters to demand payment to the same corporation. In fact, they were paid more money than the money that they were chasing for the corporation, yet, no case was taken to court. However, for the comfort of hon. Members, I want to tell them that, that was then, but this time round, cases will be taken to court.

Mr. Deputy Speaker, Sir, some of these lawyers need to be on the Opposition side of the House. That is the reason why this country is seriously speaking about the Judiciary. We should also expand the search light to the legal fraternity; to the lawyers, because judges and magistrates are not like policemen who put roadblocks on the roads and demand or extort to be paid commissions. They sit in the Chambers and they are approached by lawyers and friends who want to corrupt the justice system. Now, we have seen the list of allegedly corrupt judges, but we have not seen the corresponding list of corrupt lawyers. Instead the Law Society of Kenya (LSK) keeps on telling us that they will give us another list of the other corrupt judges and magistrates who have been left out-- Who has demanded that list? Why did they not give that list to Justice Ringera when he was collecting facts? Why do they want to give it now? Why do they want to hold the entire justice system of this country at ransom? We cannot have a situation where the entire justice system is now scared. The list has been provided by the Ringera Commission, yet, we are being told that another list will be provided by the LSK. Why does LSK not give us the list of their own members who are also corrupt? This document contains a list of very many lawyers who are corrupt and have looted most of these corporations. Some of these lawyers are still allowed to practice in our courts. There are some lawyers who are also hon. Members of this House who have been mentioned by some people that they were given so many millions of shillings. The investigations carried against them, found that they actually did receive the money, but no action has been taken against them. There are judges who have gone home in disgrace because of that, but some lawyers who are hon. Members of Parliament, have also done the same thing, but they are still here as hon. Members. That is not fair.

Mr. Deputy Speaker, Sir, in this report, there is one trend that runs through all these corporations, whether in Kenya Broadcasting Corporation (KBC), Kenya Railways Corporation, Agricultural Finance Corporation, Agricultural Development Corporation or the National Water Conservation and Pipeline Corporation. What joins all of them is basically mismanagement and leniency in dealing with offenders. The only way we will deter people from doing what they have been doing with impunity is if we are seen to be acting in the way some actions have been taken against some judges. I want to assure this House that this will happen. I want also to telescope and send a strong signal to the people who are currently managing these State Corporations that their days are now numbered and that times have changed. They cannot expect it to be business as usual. It will not be business as usual. If you are found to be involved in corruption, action will be taken immediately against you. As I said, we will also ensure that these corporations are run on the basis of sound commercial principles and that Acts constituting these corporations are fully complied with.

Mr. Deputy Speaker, Sir, in conclusion, I would like to support the recommendations of this report. I would like to appeal to the Opposition side of the House to see to it that it is important that there is co-operation in this particular exercise. We need the Opposition. We have already told members of the business community that it takes two to tango. Therefore, the members of the business community are equally guilty of corruption. When members of the private sector lose tenders, they do not want to accept that they have lost fairly. The private sector is just like the

political establishment. As we all know, in Africa, elections are never lost; they are only rigged. Likewise, tenders are not lost. They say there has been bribery and officers have been compromised and that is why they have given that tender to a particular company. So, you will find that a lot of money is wasted on tender appeals.

Mr. Deputy Speaker, Sir, the players in the private sector try to compromise public officers and once this happens, it is the officers who are blamed for awarding the tender to a bidder who is not the lowest tenderer. They try to manipulate the tendering process, but the invisible hand of the private sector who was manipulating the process behind the scenes is not seen. You will find some of them, again, condemning corruption, and yet they are the ones who are actually sustaining it. They entice some of these public officers, who are poorly paid, by offering them Kshs50 million so that they can bend the rules. But they end up getting only Kshs200,000. For someone whose child has been sent home for lack of school fees, or whose mother is admitted to Aga Khan Hospital, he will try to bend the rules.

Mr. Deputy Speaker, Sir, this war must be comprehensive. We must also clean the private sector. The private sector must be told also that times have changed, because they also suffer from residual effects of yester-years. That is why we sometimes ask them: "Is the price you have quoted a Nyayo price, or a NARC price?". You will find that the "NARC price" differs with the "Nyayo price" by more than 100 per cent.

*(Laughter)*

Mr. Deputy Speaker, Sir, at the Ministry of Roads, Public Works and Housing, we have been struggling to bring down the costs of doing roads, because they are too high. When we go to Arusha to talk to donors and present to them our estimate costs per kilometre of road, you will find that the lowest is Tanzania, followed by Uganda, and Kenya will be the highest. I feel very ashamed that the cost of constructing roads in Uganda can be lower than in Kenya when Uganda imports all her raw materials through Kenya. So, these are some of the things we are struggling to change because they had gone higher up there. But there was nothing to show for it. Most of the money was going into the pockets of individuals.

Therefore, what we have seen at the Judiciary is a mirror of the society. The Judiciary is a microcosm of the Kenyan society. It basically shows that the entire society is ailing and, therefore, requires a surgical operation. This surgical operation requires determination and co-operation. It requires the joint effort of both sides of the House.

With those few remarks, I beg to support.

**Mr. Bahari:** Thank you, Mr. Deputy Speaker, Sir. I think it is a very painful exercise to read this Report. It hardly contains anything that pleases anybody. It shows a high level of mismanagement of the resources of the Republic of Kenya.

Mr. Deputy Speaker, Sir, this is one sector which this Government must seriously address itself to, if it wants to bring change in this country. It should not be ignored at all. All the funds that have been invested in State corporations are from public coffers. Looking at this Report, the losses that have been incurred year in, year out are unbelievably high. We continue to borrow money from international financial institutions and other donors, yet we have the money. We have not managed our resources properly. That is not a bright thing to do. We must make serious efforts to look at how these organisations are managed. An organisation is as good as the people who manage it. We can bring in machines and have all the other resources there, but as long as the human resources responsible for production are not the right persons, you will not get anywhere.

Mr. Deputy Speaker, Sir, I would like to reiterate what the previous speakers have said with

regard to the appointments of members to the boards of these parastatals. In the past and in the present, those appointments have not been satisfactory. I do not want to go into the details that the previous speakers have gone into, but Kenyans expected a change and that change brought in a new Government. But surprisingly, some of the appointments that have been made since the beginning of this year have been a big let-down to the people of Kenya. They are watching very keenly. Kenyans have now become enlightened and they clearly understand. They know the people who have been appointed to those positions. These people need proper briefing from the relevant Ministers, so that they do not do things that are not right.

Mr. Deputy Speaker, Sir, you will recall that early this year, we have had certain Chief Executives of parastatals who used choppers paid for by their respective parastatals to go for Harambees. It is amazing! That is unbelievable. I do not know what the excitement is all about. Many at times, if you looked at senior managers of State corporations, you would be surprised at how they were recruited. That is why I said I will go deeper into this aspect, not necessarily only at the Board level, but the Board must be seen to be doing its job right from the Managing Director to the sweepers. There must be the right persons in place. You find persons in senior managerial positions who have no knowledge of the businesses of their parastatals, and yet they are expected to supervise the day-to-day operations of those organisations. That is why I said that I have to go further, and say, we should not stop at the level of the Board. We must be seen to be placing persons in their rightful positions in these organisations. It is only then that we will get the right results.

Mr. Deputy Speaker, Sir, that is about the day-to-day running of our parastatals. There is the audit aspect and the supervision of State corporations. You would realise that the right supervision, even at the Ministry-level, is not there. Proper briefs are not given. There is totally no co-ordination. I will give an example. The Treasury releases a circular, directing the State corporations to adhere to certain procedures and give certain reports, which is very good. When you look at that circular, you feel that we are on the right tract. But you will be surprised that whereas such reports are supposed to be submitted quarterly, even at the third quarter, there are no such reports. Then, what are we doing? There is no continuous supervision and evaluation! I think the representatives of the Ministries must ensure that, other than sitting on the Boards, they must brief their Ministers properly, supervise and guide the Boards. It is only through such reports that we can control and manage our investments on a continuous basis. The Treasury issues circulars that nobody follows and yet, no action is taken. A lot of improvements could be made from some of those reports. Even in certain instances, there are no provisions where the Treasury can give its feedback! Perhaps, nobody wants to do that. What is the use of a report to the Treasury, where nobody, even the Permanent Secretary, does not make a comment to the parent Ministry?

Mr. Deputy Speaker, Sir, we have neglected our institutions and investments. Yet, we globe-trot everywhere looking for money and kneeling before others unnecessarily. It is important that the NARC Government lives to the expectations of Kenyans. I remember earlier in the year, Kenyans were told that parastatal boards or chief executives will be subjected to performance bonds. We are yet to see that. I am sure that if you went round and checked, none of them has been subjected to those bonds. How do you expect those people to perform when there is no pressure on them to do so, and nobody is looking or watching over them? It is in the light of that, that this House must take upon itself, like the Public Investments Committee (PIC) has done, to intervene when it is necessary and on time. They should take a hot-pursuit approach.

It is in the same vein that I would like to support Members who have made contributions on why we need to go public, not only in the reporting of proceedings in this House, but also in the committees. That way, there is nothing to hide. We will become accountable to the people of this country. That should be done on time, so that we are friendly to Kenyans. It is under this secrecy

that a lot of unacceptable practices continue to take place.

It is incumbent upon us to minimise the trend that everything is a secret and, therefore, should not be divulged. Why, and yet, those are public offices and institutions? We must continuously remain accountable to the people of this country. I would like to reiterate that any institution is as good as its people. We are not yet there! I remember Mr. Raila has just said that we are getting there! But from the way I have noted, we are far from there. The last 11 months have shown us that we are not getting anywhere close and we must wake up to reality.

Mr. Deputy Speaker, Sir, one other area that has dogged the previous Governments is on procurement in state corporations and Government departments.

Mr. Deputy Speaker, Sir, looking at this Report, you will realise that the very basic procurement procedures have been flouted. It is not that they have been flouted because some of the chief executives are not aware of the procedures. They are aware of them because they are very basic. In the process, hundreds and millions of shillings have been lost. Reading through this Report, it is deliberate; it is not inadvertent. If you look through any report on any State corporation, the area of focus will be procurement. It is in any organisation.

If procurement is done properly and if you are getting value for your money, then that organisation certainly is run on sound business principles. However, you will find a situation where one person just decides to pick a company to provide a service and you are calling it procurement. That is outright rigging. It is robbery and it involves hundreds of millions of Kenya shillings. It ends up totalling up to billions when you look at all the State corporations. We have to put in place sanctions that are going to deter these people and this begins from the recruitment stage. This will involve the integrity of the persons that we put in place, the qualifications, overall suitability of those individuals and the supervisory mechanisms that we put in place to ensure that the guidelines are adhered to, to the letter.

Mr. Deputy Speaker, Sir, on various occasions, individuals will come up with bright ideas on how they can con and defraud organisations and this revolves around constructions and procurement of other services. You find some of these projects abandoned halfway. This has happened in the case of, for example, Kenya Ports Authority (KPA) where they decided to extend the KPA facilities to Kipevu. It was abandoned halfway and by that time, fractions of billions of Kenya shillings had already been paid out. Then when you look around and you do your own investigations, you get information to the effect that in any case, even at the initial stage, there was no need for that project. The need was only to defraud the public and the organisation.

Mr. Deputy Speaker, Sir, there were State corporations which were exempted from the State Corporations Act under the guise of making them more efficient so that they do not go through the necessary bureaucracy for purposes of improving efficiency. What turned out? What were the results? At the end of the day, all those State corporations which were exempted from the State Corporations Act were on the brink of collapse. They were messed up completely. It is on this note that I think this House realised that no State corporation should be exempted from the State Corporations Act. They must be subjected to proper audit and to the watchdog committees of this House. That exemption should never be allowed to come back again.

Mr. Deputy Speaker, Sir, even going further, you will realise that some of the services that those State corporations which were exempted from the State Corporations Act sought were audited by one firm. You then wonder how they acquired those services. It must have been a directive from some quarters. It is on this note that we are saying that these telephone directives must stop. If a Minister or whoever wants to give a directive, it must be in writing and to the right authorities because in most cases, you will realise that those telephone conversations are not recorded anywhere and they go about messing the managers of those institutions.

As much as in most instances, it will be said that a request was made and given the culture of Kenyans and what we have come through all along, most of them find it very difficult to resist when a senior person who has appointed them into positions makes those requests. They end up becoming more of a directive.

Mr. Deputy Speaker, Sir, I will repeat again that continuous supervision of the state corporations by mechanisms that are put in place by the supervisory organs is extremely important. It is only then that we can create wealth and employment in this country and improve the living standards of our people.

Mr. Deputy Speaker, Sir, I would like to sum up my contribution by saying that in many instances also, these state corporations under the guise of privatisation, have been disposed off at values that are not acceptable. It is good that this Government has brought in a Privatisation Bill which will be debated in this House as published. It is high time we debated it. We are already 11 months old in this new regime and it is high time that these issues are put right from the word go. Bill or no Bill, they must be put right from the word go. Let us not give lip service to the people of Kenya. Let us mean what we say.

Mr. Deputy Speaker, Sir, in many instances, it is time wasting when procurements that have been made by a local council are cancelled. This is what happened when the Narok County Council leased out Keekorok Lodge. Why did we not get it right from the word go? It is a time wasting and costly process and these are some of the things that we do not realise; that having to cancel that process is in itself very costly and we end up suspending the same people. For example, we were told the Clerk to Narok County Council was suspended and tomorrow, you will find him elsewhere in another council which he will mess up again. This has happened in my council of Isiolo. This is the culture which must stop because people will just go and lie low like envelopes as hon. ole Ntimama said at one time, and then later on re-emerge with a different face in other organisations elsewhere. It is the same persons who were relieved of their duties that we re-appoint, hoping that Kenyans have forgotten. If we are doing that, then we are not serious. We are not giving proper service. We are just giving lip service.

Mr. Deputy Speaker, Sir, with those words, I would like to support the recommendations of the PIC and in most instances, the Treasury must be seen to be taking action because the Treasury Memorandum is vague; that a letter has been written. It is not conclusive. Where do we go when the Treasury says:- "Okay. It is fine. We have noted this. A letter has been written and we are expecting results?" We would like to see in future, Treasury conclusively saying:- "This matter has been sorted out and it is now conclusive".

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Khamasi:** Thank you, Mr. Deputy Speaker, Sir, for allowing me time to contribute on this important Motion. I will be very brief because I believe my colleagues have said what I would have said.

Mr. Deputy Speaker, Sir, it is so shameful to note that hon. Members of the Opposition are absent when we are discussing an important Motion like this one. This, certainly, is not the kind of Opposition that will put the Government on its toes!

**An hon. Member:** But hon. Obwocha is in the Chamber!

**Mr. Khamasi:** Mr. Deputy Speaker, Sir, of course, Mr. Obwocha is not an Opposition Member of Parliament. We know where his heart is and we also know that he fought for a long time, trying to put things right. It is only unfortunate that he is on the Opposition side. However, we know where his heart is. It is shameful that the Opposition Benches are empty and yet Members of the Opposition are supposed to be the ones criticising the Government.

*(Applause)*

**Mr. Obwocha:** On a point of order, Mr. Deputy Speaker, Sir. Are you satisfied that hon. Khamasi is implying that the Opposition is not contributing when, in fact, the Government is supposed to respond to this very important Motion? It is the Government side which should be present in this House.

**Mr. Deputy Speaker:** Well, I think the point Mr. Khamasi is making is about numbers. However, the Chair does not supervise who comes and does not come to this House. It is up to the Opposition side to listen to the sentiments being expressed by the hon. Member.

**Mr. Khamasi:** Thank you, Mr. Deputy Speaker, Sir. That is a good ruling. The fact of the matter is that we have only two Members from the Opposition side in the House, when they are supposed to be probably over 100, trying to put the Government on its toes and to find out the mistakes that have been done.

Mr. Deputy Speaker, Sir, having said that, I would like to contribute on this Motion because, probably, it is the first one of its kind. **Mr. ole Ntimama:** On a point of order, Mr. Deputy Speaker, Sir. I consider this to be a very, very important Motion in this House, dealing with investments. However, I do not see anybody on the Civil Service Benches who has come to listen to what Parliament is saying about investments. Whether these civil servants are supposed to come from the Ministry of Finance or the Ministry of Trade and Industry, I think it is actually a slight on Parliament. These civil servants are supposed to listen to what hon. Members in this House are saying! How will they implement whatever is passed in this House?

*(Applause)*

**Mr. Deputy Speaker:** Order, Members! The Chair will only be satisfied if there is an hon. Member from the Government side taking notes on the matters being expressed. The Minister for Planning and National Development, Prof. Anyang'-Nyong'o, is present. I do agree that it is good practice, but we cannot say that it is out order when they are not present.

**Mr. Khamasi:** Mr. Deputy Speaker, Sir, hon. ole Ntimama just pulled words out of my mouth because that is where I was going next. We have the first PIC Report under the NARC Government, and you can see how empty the Opposition Benches are! I am sure, even if there is a Minister on the Front Bench, we know who he is. He normally comes here to contribute on debates. Even now, he is standing to catch your eye so that you can allow him time to contribute and not necessarily to take notes. It is shameful, at this point in time, that the Minister for Finance and his Assistant Minister are not here to listen to what we are saying.

Mr. Deputy Speaker, Sir, when we were on the Opposition side, we used to make a lot of noise.

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, I humbly stand on a point of order, although I did not want to interrupt my dear friend, hon. Khamasi. Is it in order for the hon. Member to say that I cannot contribute as well as write notes, when I know I can do both? I can actually chew gum and walk at the same time.

**Mr. Khamasi:** Mr. Deputy Speaker, Sir, we know what he does best. He comes here to contribute and he does so effectively.

**Mr. Deputy Speaker:** Mr. Khamasi, Prof. Anyang'-Nyong'o is the Minister for Planning and National Development and I believe he is capable of contributing and taking notes at the same time. Would you, please, continue with your contribution now?

**Mr. Khamasi:** Much obliged, Mr. Deputy Speaker, Sir. But the fact remains that the NARC



Government should be here to listen to its first PIC Report being debated. When we were in the Opposition during the last Parliament, we used to say that we wanted the Government to be serious about these Reports.

I used to contribute to the debate on these reports to a certain extent, then I stopped because nothing was being done about them. I am sure the NARC Government does not want to have a repetition of the same. We do not want to bring reports here, debate them, make recommendations and nothing is done. We want the NARC Government to take these reports seriously and take action on the recommendations that are contained in them. We do not want to have reports which we shall just put on shelves and nothing is done about them.

On the overall, the Attorney-General---

**Mr. Kamotho:** On a point of order, Mr. Deputy Speaker, Sir. Are you satisfied that the Inspectorate of State Corporations, which is in the Office of the President, does not attend a Session of Parliament which is discussing public investments that it is responsible for?

**Mr. Deputy Speaker:** Mr. Kamotho, the point you are making, indeed, has been made by Mr. ole Ntimama. A similar point has been made by Mr. Khamasi. I said that it is desirable that the Minister responsible for matters being discussed is here. Even the practice of having officers coming here and taking notes gives the seriousness in which the Government overall takes these matters. Having said that, the Chair cannot say that this is out of order when debate is going on and a Government Minister is there. Indeed, the sentiments of the House should go very clearly to the Ministers, but debate continues.

**Mr. Khamasi:** Thank you, Mr. Deputy Speaker, Sir. You realise how serious it is that a Government that was elected by a very huge majority only 11 months ago is incapable of representing itself effectively here.

Over the years, the Attorney-General has let Kenyans down. So many PIC Reports, which have recommended prosecution of thieves, have gone down unattended to. Recently, the excuse he gave was that he did not have a free hand to investigate and prosecute. That was his explanation for having done nothing about those reports and the recommendations contained therein. He has been told that "his hands and legs are free". He can do as he wishes. He can investigate and prosecute. We believe that this time round, the Attorney-General will rise to the occasion and prosecute all the looters of public funds in this Republic. We do not want him to go on smiling and laughing at us. We want him to be a serious person this time round. If he cannot be serious, then the only better thing for him to do is to request the President to relieve him of his duties. One wonders what is the use of security of tenure of his office if he is so cowardly that he cannot investigate and prosecute.

Mr. Deputy Speaker, Sir, the Attorney-General has security of tenure; a man who cannot just be pushed around by anybody. Even the former President, Mr. Moi, would not have pushed him around, but he was so scared that he would not move an inch to do anything about the looters of public funds. This is a shame! We now want him to move and ensure that the perpetrators of those crimes are brought to book.

In addition, the NARC Government created the Ministry of Justice and Constitutional Affairs with a Minister and an Assistant Minister, who are very versatile. Mr. Murungi and Mr. Githae are very competent people. We hope that they want to see justice done to the people of Kenya. We do not want them to join the Attorney-General. We want them to "tickle" him and tell him that he must act. If they see that justice is not being done to the people of Kenya, we expect them to ensure that what is supposed to be done is done.

Mr. Deputy Speaker, Sir, recently, at a public function somewhere in the Mount Kenya area, the Minister for Justice and Constitutional Affairs said that he sometimes does not even understand what is going on. This surprised me. He said with his own mouth that sometimes he really does not

know what is going on. If a Minister can say that, this is a very serious matter. He is supposed to be leading the way. If he says that he does not know what is happening, who else will know what is happening? Days of sacred cows are gone. Whoever is mentioned in this Report must be investigated and prosecuted accordingly. We should start with this first Report under the NARC Government. It is important that this is done. All that this Report contains are names of people who have looted public funds. It does not say anything else. The Report goes into pages, talking about people who have looted public funds.

Over the years, our judicial system has also let this country down. Few very cases of people who have looted public funds have ever been concluded. Most of them have walked away scot-free, thanks to the lenience of the corrupt judges. There are still very many corrupt judges. Some of us have written complaint letters to the right places, and we still see these corrupt Judges walking there as if they have committed no crime.

Mr. Deputy Speaker, Sir, the next step is to move to the Civil Service and Parliament and do the cleaning. I want to request the Government to do that as quickly as possible, when the "iron is still hot".

Mr. Deputy Sir, it is sad that this report contains the names of sitting Members of Parliament. We should move into that direction and lead by example. Those people who have stolen land or any other thing should own up and return it to the right corporation. We should not be sitting here, criticising other people when we, in this House, are corrupt.

Recently, an hon. Member talked here about lawyers who pose as the most truthful, but for giving legal advice to a State corporation, they charged Kshs20 million. That is looting. Some of them are here. I am restrained by our rules not to name some of them. It is a shame. When you see them with their heads up, you would think they are small gods, when in the actual fact, they are all rotten underneath. It is a shame!

There are Permanent Secretaries who had actually been taken to court for crimes pertaining to their conduct in the Ministries. However, some of them have been recalled; they are back in those Ministries. One wonders, surely, do we have a shortage of manpower in this country, when have so many university graduates loitering out there?

Mr. Deputy Speaker, Sir, this Government was elected on the principle of change. Indeed, we must bring change. We shall not compromise on this. If the current Opposition is unable to do it, I want to repeat what my colleague said; we, on the Back Bench, will make sure that this Government actually delivers what it promised to the people of Kenya. We will stand here and talk fearlessly and honestly about what we believe in.

Mr. Deputy Speaker, Sir, I want to briefly mention a few things about the manner in which we recruit officers in the State corporations. Even as I speak, the politically-correct individuals are the ones who are being recruited in those parastatals, not because they have the experience or the expertise, but because they are politically-correct. For example, if you get an 80-year old and a 50-year old in the same parastatal; the 50-year old individual is appointed as a non-executive chairman, while the 80-year old fellow is appointed as the Managing Director. He is supposed to be very effective. What is the rationale in this particular arrangement? We all know that the 80-year old Managing Director is unable to walk or see properly. It is a pity that a man in his early 50s, full of experience, very versatile, knows what he is supposed to do and has the relevant knowledge in that particular field, is appointed as a non-executive chairman.

I want this Government to know that we are seeing what they are doing, and we will not support them. I want you to take those notes from me. We will not support you in such frivolous and useless schemes to frustrate certain individuals at the expense of others. That will not do. We want this Government to be forthright, and do what is right, and make sure that what Kenyans voted for is

being delivered.

Mr. Deputy Speaker, Sir, we are all in this mess and will continue to be in the mess for a long time to come because what we said has not been done. As the Parliamentary Group Meeting, when we sat in Nanyuki, we said and it went on record, that unless and until we take over the Civil Service with the right people that we believe in, these reports will continue coming in this format. The pages will never be lesser. They will even increase because we are going to deal with the same people who have been committing the crimes. The same lot. We are riding on the wheels of the people who have brought this country down on its knees by stealing; people who have looted public funds and are still the same people who are in these parastatals and in the Civil Service.

Unless we do an overhaul and get the right people in the right places, we will continue receiving these reports for as long as we sit here and wait. They will not do anything new. You cannot teach old dogs new tricks. Never! These are old dogs! They are used to these tricks and they will continue.

This Government should wake up and know that it cannot move on the wheels that KANU was moving on, and bring about change. They must get their own "new wheels" and the "new wheels" are "new brains." New wheels are people with dignity; people who have not stolen.

Mr. Deputy Speaker, Sir, the more I speak about this, the more I get annoyed. I want to end.

**Mr. Obwocha:** Mr. Deputy Speaker Sir, mine will be very brief, not like the way hon. Khamasi said, that he would be very brief and yet took half an hour.

**Mr. Khamasi:** On a point of order, Mr. Deputy Speaker! I never took half an hour! Is it in order for Mr. Obwocha to mislead this House by saying that I took half an hour when it was less than half an hour? Could he withdraw that?

**Mr. Obwocha:** This House is about debate and humour. That is why I get very annoyed with people who come from outside and shout about Quorum and such things. Parliament is about debate and ideas. Things like Quorum are only important when we are voting or trying to pass Motions.

Please let us get down to Business. Let us argue about what is bothering this country. I thank hon. Mr. Khamasi for his contribution, by the way, he been very insightful.

My first point is that this Report is normally reacted to by a Memorandum from Treasury. The Memorandum from Treasury is a reply to the recommendations made by the Public Investments Committee (PIC), in which I am sitting this year.

I want to agree with Mr. Khamasi that this House expresses a lot of displeasure that there is nobody from Treasury to take notes and make the Ministry know the feelings of Parliament. If you look at this Memorandum, the kind of actions and replies are the same routine that we have been getting years in, years out, in the Nyayo era.

I do not expect this from the NARC Government. They are the same people that we were with on the KANU side, who saw the mistakes the then Government made. We would like the NARC Government to be serious and implement the recommendations of the PIC.

Mr. Deputy Speaker, Sir, if you turn to page 72 of the Report, it talks about the Kenya Agricultural Research Institute (KARI). It lists, and I will not read them out, names of individuals who have grabbed properties and plots from the research stations. This has happened in Kitale. You can see listed here; KARI land PDP No.KTL 1094.55, Kitale 1094.65, Plot No.1094.70, Plot No.1094.72. Plot No.1095.45, Plot No.1095.61 and so on. They are so many.

*[Mr. Deputy Speaker left the Chair]*

*[The Temporary Deputy Speaker]*

*(Mr. Khamasi) took the Chair*

Mr. Temporary Deputy Speaker, Sir, research is such an important area in this country that we want to enhance and expand, and here are individuals who have grabbed land. When a priest stands up to the Government and says that he has a memorandum and he wants to tell the Vice-President of this country that there are things which have gone wrong here; this Government has the audacity to have a senior police officer arrest Father Dolan in such a manner that you would think we are in South Africa. Did this Government see that kind of action? What is this Government doing when a priest is trying to bring to the attention of the Government the fact that something has gone wrong here; that there are people who have taken research land, that this country needs to research?

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, right now we have a big problem which is the global HIV pandemic that our KARI and KEMRI should have come up with their research findings to find out whether we can get a cure. We need to do research on our seeds. What is this Government doing about this? I am asking the Minister in charge of internal security to ensure that, that policeman who arrested Father Dolan goes away for embarrassing the Government. This is a priest who just wanted to turn the attention of the Vice-President of this country to a wrong which has been done.

My second point is about the KPA. I will only mention one thing because I believe this paragraph is again being discussed by the current Committee. On page one, this is the extension and refurbishment of Kipevu Headquarters; if you look at that, your tears will be rain in Shinyalu. It is so sad that here is a corporation which has set up "a utopia project" to build and refurbish a project which is non-existent. They then got consultants to draw up plans and seek Kshs405,849,355. That money was paid to consultants without the project even taking off. What a shame! What are we talking about?

When you go even further, the saddest thing is that some of the people mentioned here are Members of Parliament.

**An hon. Member:** Name them!

**Mr. Obwocha:** The rules of the House do not allow me to name them, and I am an old Member of the House. If you want to know them, they are in this Report. What are we talking about? Members of Parliament looting parastatals in terms of consultancy fees on a project that never took off! It is so sad. I sometimes think I do not live in this country. The Attorney-General of this country and Mr. Muite has always said that this man has not lived up to the expectations of this country. I also say the same. A brilliant man who was brought from the private sector, but he is a "toothless dog". He is not acting and the NARC Government is telling us that things are okay and that they have only been in power for 11 months. Why have they not taken action?

I want to talk about the rehabilitation of parastatals. I will not debate that because that would be anticipating debate. I am quite happy that a Parastatal Reform Bill has been brought to this House. The Minister in charge must, out of necessity, consult widely on whether we need some of these parastatals, and the way forward. We need to know whether these parastatals should be got rid off, sold or something should be done about them. I have the Kenya Railways Corporation in mind, which should be rehabilitated. The way our roads have been damaged by heavy vehicles must, of necessity, tell the Ministers that we must rehabilitate the Kenya Railways to take off the load from our roads. If we are going to rebuild or repair our roads, we need something to take off the load. This one is the Kenya Railways Corporation.

Finally, for this economy to grow, the NARC Government needs to be serious about what we were talking about because we also wanted to be in the Government, and we were talking the same language. We have seen the way many of the issues have been addressed, and it has been very unsatisfactory. Salaries and wages take about 55 to 60 per cent of our revenue. The interest payments on domestic and foreign debt takes about 15 to 20 per cent. What money is left in this country, for you and me to develop this nation? Something must be done to address the economy of this country. The solution may not be addressing the pay expenditure. The solution may be addressing the revenue collection and whether, indeed, we should not increase revenue in this country. Increasing revenue is not necessarily increasing taxes, but to make the revenue collection efficient.

The implementation of what has been recommended is what we want the NARC Government to address. I was in university in 1971 studying for a Bachelor of Commerce. You are giving a registrar who was in that position in 1971 a job in 2003. How many years are those?

Mr. Temporary Deputy Speaker, Sir, having very old people in management can be a disaster. They could do well in politics, but in terms of management, you and I know that there are certain years when somebody is considered "dead" as a manager. He cannot deliver. For example, somebody who was a Registrar at the University of Nairobi in 1971 has now been given a job as a Managing Director. How can he deliver? The NARC Government must wake up. We have young people of middle age, of at least 45 to 50 years, who can address these issues at their levels. They still have a lot of strength. You are getting us too many old people in management.

Finally, Mr. Temporary Deputy Speaker, Sir, why has this Government not brought a review and amendment to the Companies Act which was enacted in 1948, before Independence? What has the Government done to be able to get the business environment back to where this economy can be addressed? That Act was enacted in 1948, and yet those same rules are the ones still in that Act. It becomes hard if you want to remove directors of, for example, KTDA, because the same rules that were enacted in 1948 are the same ones still in place. How can this environment change? How can we improve this economy?

With those few remarks, I beg to support.

**Mr. ole Ntimama:** Thank you, Mr. Temporary Deputy Speaker, Sir. I want to reiterate the point I made a few minutes ago, and say that I think the Government, the Ministry of Finance, the Office of the President which is in charge of State corporations, and even the Ministry of Trade and Industry must realize that this is a very important Motion. The fact that we do not see anybody sitting on the Front Bench to listen to the contributions of hon. Members concerning this very important Report shows that there is no seriousness. In fact, just a few minutes ago the Minister for Finance was not in. I would, however, like to thank Mr. Mwiraria for having come to listen to a few comments that hon. Members are making. This is a slight of Parliament. I think we must be serious.

Mr. Temporary Deputy Speaker, Sir, if we really want to correct some of the ills that have bedevilled this country economically, then we cannot pay lipservice. I do not even think this is lipservice; I think it is total abandonment of their duties.

Mr. Temporary Deputy Speaker, Sir, for the 40 years of Independence of this country, it is a fact that this country has not managed to come out of the deep dungeons of economic quagmire. We have not! Whether it is the last Government or this Government, we have nothing to show our people. We do not even show them the efforts we have made. This example today shows very clearly that people are just not interested in what should happen to this country. It is a fact, as I said, that for the last 40 years, we have nothing to write home about the development of the economy of this country. There is nothing! In fact, we have tended to sink more into these dark dungeons of economic quagmire. This has been for the last quarter of the century, because these are years that I

know very well. For the last quarter of the century, we have not made any attempt to improve the economy of this country.

Mr. Temporary Deputy Speaker, Sir, it is also a fact that is known by everybody, including some of us who are not economists, that direct foreign financial investment has dodged this country for the last 25 years. It is a fact that our neighbours in Tanzania have received direct foreign financial investment, and so has Uganda. The economies of both of these countries are growing at between 6 per cent, whereas our economy is declining. Whether we want to agree or not, it is a fact that this economy is declining.

Mr. Temporary Deputy Speaker, Sir, today, what the world is talking about and concerned about is not politics. It is the economy. This country conditionally has been placed right in the centre of things by our colonizers. We were the centre of development in transport, agriculture and telecommunications. We have been the central hub; the people that matter. Is it the situation today? I hope we are going to get some money from the donors, but even if there is a delay and a few questions are asked, it is because of our ineptitude. It is because of the fact that we are not serious about what is happening in this country as far as the economy is concerned.

Mr. Temporary Deputy Speaker, Sir, the economy of this country is very important to our sons and children for posterity. We cannot allow it to go on like this. Our people have to be told what is happening. It is also a fact that I happen to be a Member of the Public Accounts Committee (PAC), and I have seen a little bit of what is happening in the Public Investments Committee (PIC). From the first page of the Report to the last, it is only a question of fraud, embezzlement or stealing. What do we get from the Government response? That these frauds have been written off; that, after all, there was no clear way of following these people, and yet the Auditor-General (Corporations) has shown everything in his report, even mentioning names. What are we doing about these things? Is it just another tall story?

Mr. Temporary Deputy Speaker, Sir, that it the same Public Accounts Committee (PAC), which I am a Member. From page one, every article shows that money has been embezzled and stolen and nothing has happened. Not a single person has been taken to court. It is even better, although I do not know where it is going to end, that those fellows from big banks have been taken to court. I do not know their names. But what is the outcome? We hear that they are being edged out, getting out of the net, and very soon, they are going to be free men! They are going to intimidate us with all the money that they have stolen right to the locations!

Mr. Temporary Deputy Speaker, Sir, when my colleague was contributing, he talked about the Attorney-General. I do not know, but, probably, I do not agree that he is a coward! But I think he is inefficient. At least, something should have happened or something should happen now! That is because this Government came to power with a pledge that it will reform the economy of this country and change certain things. Maybe, somebody will say - and I agree with him or her - "Give them a little bit of time!" But we should have seen a lot of things happening by now. We are approaching the end of the year; that is, 12 months, and there is not much that *wananchi* can see happening. The barometer here is *wananchi*. The political awareness of the people in this country is so high, that they can no longer be cheated or intimidated. Maybe, the former regime managed to intimidate a few people or everybody, but that intimidation ended with that regime. The people of Kenya want to know the truth. They know what is happening. After all, those are their brothers and sisters. This is their economy. Those are their taxes that are being looted and plundered by individuals. That is all that is being explained in the PAC and PIC; that we are giving total lip service.

Mr. Temporary Deputy Speaker, Sir, let me talk about the investments in this country. What criteria do we follow in inviting the investors? It is unfortunate because the majority of the so-called

investors who are being allowed in this country through the Immigration Department are fraudsters. They are people who come here, take money from our people and send it overseas! I am talking especially about those in the tourism industry. If you look into the whole tourism business - and I have been associated with the tourism industry for a long time - most of those people are fraudsters. Already, the war between us and some so-called investors for Keekorok Lodge--- Those are wicked people who went bribing everybody; the councillors and anybody near Keekorok Lodge. How do we win in a situation like that? Then, going to our courts to try and get some umbrella protection for the sins that they are committing against humanity here---

It is important that we look into the whole criteria of investors.

I am not against any race or any ethnic group for that matter. But our problem in this country is that there have been a few wayward, crooked Asians in this country. Every scandal that has taken place in this country, including the Goldenberg Scandal; all the raw deals and all the other deals that have been committed, including the current one in the Kenya Ports Authority and the sale of Keekorok Lodge, has always got an Asian or two as players. This is one thing that we must start to be careful about. These people have really messed up this country with their money and with a few other things. Why do we not just go straight to the local people; the Africans? Every dirty deal has an Asian or two as the manipulators. As I said, they are being assisted by some people. You can see a bunch of lawyers going to defend a scandal that we all known is a scandal.

Going a little bit further, I support the President and a few of his Ministers and some of his officials because they are definitely out to fight graft. But they have got a lot of problems because maybe, they are the minority in that kind of score. If they are the minority, all I can say is that we wish them well and urge them to continue to fight and even if they get a few bruises, they will probably come out well in this game. For example, if you look at the Goldenberg Inquiry and, the investigation, I said in this House the other day that although we have zoomed on to the judges, both of the High Court and the Court of Appeal, the worst people are the lawyers who have been conduits for making the judges corrupt. Somebody said in the Bomas of Kenya that for every corrupt Judge, there are three lawyers around him, pestering him and giving him money.

I have the courage to tell the Law Society of Kenya to produce the list of shame of those lawyers so that the people of Kenya can see where they are hiding. There is one lawyer, for example, whom I do not consider to be a lawyer, whose name is H.P. Makhecha. I think he is a fixer. He has even destabilised my own company. Those are the people who should be investigated and who should be allowed to come to the open so that wananchi can see what they are doing. Some of these lawyers, as I said, are fixers. They are not lawyers who would represent you; they go around the court corridors carrying bags of money, and we know it. We are in this country and we have been there long enough to know what is happening. They carry bags of money, to corrupt the Judges. I think it is important that we get serious. As I said, we have to give this Government a little time. But the wananchi are impatient. Look at the list in this PIC Report. Nobody is being touched because most of them are untouchables. We would even like to see them being taken to the police and be questioned a little bit, and we would say, "Oh, maybe, something is happening."

We came into this Government, and a lot of us, including the Chair, worked very hard to get the NARC Government in power. We came out and said, "Kibaki *tosha*." And, really, Kibaki is *tosha*. He has no taint of corruption. He is almost of my age and I have been in this Parliament long enough and I remember him speaking from those benches for many years. Maybe, he has got a few of his assistants who are clean and good, but they must carry on the war against graft because this country will not see the light of the day as far as the economy is concerned, unless we all agree to kill a thing called graft. It is no wonder we seem to have taken it lightly. People say: "*Hata sisi tunataka kuwa kwa Serikali ili tule kama watu wengine*". *Mambo haya yataisha lini kama watu*

*wanataka kuwa kwa Serikali ili wale kwa sababu wale waliokuwako awali walikula?*

**The Temporary Deputy Speaker** (Mr. Khamasi) Order, Mr. ole Ntimama! The Chair cannot hear you.

**Mr. ole Ntimama:** Mr. Temporary Deputy Speaker, Sir, I beg your pardon. I am not offending anybody. I am only saying that this is what is normally said in the local bars and in other social places.

I support this Motion and hope that something will be done, so as to get into the root cause of this vice which has been going on for the last 40 years. If we do not get to the root cause of this problem, then there will be a big question as to whether the Government is serving *wananchi* very well.

With those few remarks, I beg to support the Motion.

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I rise to support the Motion. I must thank hon. Members for their very fruitful contribution to this important Motion.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Prof. Anyang'-Nyong'o! Are you responding on behalf of the Government?

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): No, Mr. Temporary Deputy Speaker, Sir. I am just contributing to the Motion.

In the first place, I would like to say that the observations made by hon. Members with regard to the importance of the PIC are extremely important and well taken by the Government. I was the Chairman of the PIC in 1994, 1995 and 1996. The Fourth, Fifth and Sixth PIC Reports, which I remember we produced, were, perhaps, three times bigger than the Eleventh Report, which is before the House. Those Reports were in two volumes and they unearthed extensive mismanagement in public corporations and recommended the appropriate action to be taken.

We, in the NARC Government, and I have been assured by my colleague, the Minister for Finance, Mr. Mwiraria, shall take action on the recommendations of the PIC and PAC Reports. We have taken action in laying down the institutional framework to deal with public corporations. First, this Government appointed the Permanent Secretary for Governance and Ethics, Mr. John Githongo, who is doing a very good work. Secondly, the Government established various committees to deal with pending bills. There is a particular Cabinet Sub-Committee on Corruption which has compiled a report on pending bills. A Cabinet Memorandum has already been written and it will be submitted to the Cabinet to deal with pending bills once and for all. As you know, pending bills have been at the centre of mismanagement of public corporations and corruption.

In order to ensure that public corporations are rationalised, and in order to ensure that they do not continue in their wayward ways, as a Government, we have carried out a total review and re-evaluation of all public corporations. Indeed, this Report was tabled in the Cabinet Committee on Economic Management this month. We will meet on 28th November, 2003, to finalise that report as a Cabinet Memorandum so that the Government can fast-track those public corporations which should be privatised, restructured, commercialised and those which will remain in the public sector. They are essential to this economy.

I would like to inform this House that there is nothing wrong in having State enterprises. What is wrong is when they are not run efficiently, productively and cost effectively. Indeed, in Great Britain, they privatised the railways, but after sometime, it has been necessary for the Blair Government to inject British £28 billion into British Railways and re-consider bringing it back to the public sector. So, privatisation *per se* is not a panacea for troubles in public corporations. Efficient and effective management of both private and public corporations is necessary.

Mr. Temporary Deputy Speaker, Sir, in the United States of America (USA), there was a



major scandal in the insurance industry, which was run by the private sector. The USA Government had to come to the rescue of those insurance companies by injecting tremendous sums of money to bring them back to life. You also know that certain private banks in this country had many problems in the 1980s. The Government had to take them over and consolidate them into what has become to be known as the "Consolidated Bank". Again, it was corruption and mismanagement in the private sector which led to the collapse of some companies. So, mismanagement and corruption is not a preserve of public corporations. Mismanagement and corruption also exist in the private sector. It is after we have a culture of doing our business efficiently, transparently, cost-effectively and free of corruption that this economy can grow. The Government is, therefore, committed to good governance in all spheres of life. The Government is not just committed to good governance in only the public sector, but also in the private sector.

It is because of that concern by the Government that, yesterday, the President met over 2,000 members of the private sector at State House for two-and-half hours, to discuss with them what we need to do to fast-track economic growth in this country. I would like to inform this House that I had the pleasure and, indeed, the honour to be given the responsibility by His Excellency the President to lead members of the private sector towards that discussion with the President for two-and-half-hours with, at least, a dozen Cabinet Ministers in the economic Ministries so that we could review these issues.

Mr. Temporary Deputy Speaker, Sir, I was told by one member of that delegation that, that was the first time that the private sector had met the President. They tried to meet the former President for 24 years, but they never did, except when he was "smuggling" you in to take a briefcase of money for corrupt practices.

So, we are on a good footing to put our money where our mouth is. Hon. Members have raised an issue as to whether we are going to have a new Company Law or not. I do agree with them that the present Company Law dates back to 1948. The Attorney-General's Chambers has already drafted a new Company Law which will be brought before this House soon, so that all the shortcomings of the law under which we are operating can be corrected.

The Attorney-Generals's Chambers has also drafted a new investment code, and an Investment Bill is to be brought to this House so that we can debate and pass it. We realise that for investment to be enhanced in this country, we must have a proper company law and investment procedures written and given proper legal framework in our country. It is in that regard that the investment code under investment law will be brought to this House. It has already been drafted by the Attorney-General's Chambers, and this will ensure that these problems are now issues of the past.

Mr. Temporary Deputy Speaker, Sir, it is also important to note that these things cost money. This House gives the Government power to raise revenue and spend it. The Government presented its first Budget in June this year, and it has been debated in this House until October this year. An Appropriation Bill is still pending and, therefore, when the House is asking the Government to do certain things, it must realise that it also shares the responsibility with the Government. It is the House which empowers the Government to raise revenue and spend it. We cannot do many things until this House gives us the financial powers so to do.

Having, therefore, been in existence only since June, financially speaking, because before June we were existing on the finances by the previous regime--- The hands of the NARC Government in doing certain things had been tied, but we have done our best. I must say that revenue collection under the NARC regime has gone up by 12 per cent within this last quarter, and this is something very different from last year. When we talk in terms of investments, if you read the business pages of both the *Daily Nation*---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Khamasi); Order, Mr. ole Ntimama!

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, if you look at the business sections of the *Daily Nation* and the *East African Standard* over the last one month or so, you will see consistently that the atmosphere of doing business in this country has improved. Investments are flowing in and the Ministry of Finance is actually processing two investors per week. Yesterday, I presided over the Industrial Promotion Services (IPS) ceremony and cocktail at the Serena Hotel, whereby the Aga Khan Group of Companies has just enhanced their investment portfolio in this country by Kshs12.5 billion. That is quite a good expression of confidence in the NARC Government and in this economy.

I must also say that hon. Members and the public have been raising the question: "How many jobs have we created since January this year?" The Ministry of Labour and Human Resource Development's statistics by September this year indicate that 401,000 jobs have been created. That is true.

**Mr. Angwenyi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to give us untrue statements about jobs? I know that if there were 401,000 jobs created, at least five people would have been employed from my constituency. Could he address the PIC Report and give us a statement on the economy and its problems in another forum and say the truth--

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Angwenyi!

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I think the hon. Member is right in some perspectives, in that I will be addressing this House very soon on a Motion on economic recovery. I will give you even more statistics that will show you that what I am saying is true. The Central Bureau of Statistics (CBS) happens to be in my Ministry, and I have been launching these Reports of the CBS very consistently over the last four months. If the hon. Member has been reading the Press and following the launching of these statistical reports, he will realise that I am speaking from a scientific and not a sensational perspective.

I responded to that issue of jobs because two hon. Members raised it today in the House. They raised the issue in relation to the poor performance of public enterprises. Their point was very valid. They said that if we continue to support these poor performing public enterprises, and not off-load them to the private sector, we are not going to create jobs. My response was that I agree with them and that is why the Government has done a complete review of parastatals. It has compiled a report which was discussed by the Cabinet Committee on Economic Management two weeks ago. Revisions have been proposed. The same Committee will be meeting on 28th November, 2003, to finalise that report and send it to the Cabinet, so that it can take action. I think it is our mistake that we have not been communicating this information to hon. Members effectively, so that they could appreciate what the Government is doing. Therefore, let me take this opportunity to communicate to hon. Members. Some of their fears are genuine, but they cannot be dealt with by the Government providing them with this information.

Mr. Temporary Deputy Speaker, Sir, if you look at the sociology of the 401,000 jobs that are referred to, first of all, you will realise that they have been created in the agricultural sector. I visited the Aga Khan Foundation; Baba Dogo Industries in Baba Dogo Estate, which is processing French beans for export to the French market. The French beans are produced by the Murang'a farmers. That is not too far from here. Those farmers are earning about US\$4 million to US\$5

million per year by exporting French beans to France. If you visit that factory, you will find out that this year alone, the Aga Khan Group of Companies have employed 2,500 more people. If you go to the Mombasa Road where construction is currently going on, just about two or three months ago, the German company constructing that road recruited labourers in large numbers. That is yet another data to find out how many jobs have been created.

Mr. Temporary Deputy Speaker, Sir, one of the outcomes of the free and compulsory primary education is that it enabled the Government to employ more teachers. We all know that more teachers were employed and the statistics are there. Secondly, just a couple of weeks ago, the Government was engaged in recruiting administration policemen, army officers and the general service policemen. At the moment, the Ministry of Tourism, as well as the Office of the President, are making arrangements for the recruitment and training of metropolitan police. That will create more jobs. So, when we are talking about jobs not having been created, let us not be sensational. Let us visit the Central Bureau of Statistics and the Ministry of Planning and National Development and get the information. I will always be predisposed to inform the House.

Mr. Angwenyi knows that on several occasions, we have met with the Departmental Committee on Trade, Finance and Planning to make this information accessible to hon. Members of Parliament. However, it is not always easy when a country is coming out of a long-drawn period of a balance sheet recession, or a financial crisis, to undertake certain reforms, because undertaking reforms also requires resources. So, it is a kind of a double-edged sword whereby we do require more resources at that point in time, to accomplish better results.

Mr. Temporary Deputy Speaker, Sir, what the NARC Government is doing at the moment is creating the enabling environment for undertaking these reforms. That creation of the environment itself is costly. It may not produce results instantaneously. For example, the measures that the NARC Government has taken to reform the Judiciary will help reform the public sector. If we do not bring changes in the Judiciary so that we have a Judiciary that is competent, honest and judicious, then, indeed, when we go to the public sector and begin privatising and retrenching workers, they will go to that same Judiciary and bring us to a standstill. They will bring court injunctions and all kinds of things. So, you need a Judiciary that will be judicious to undertake these reforms.

Mr. Temporary Deputy Speaker, Sir, it is in that regard that the Government has found it necessary to spend money in certain forms of reforms, like the judicial reforms, so as to undertake the issues that this House is very anxious about. I think the judicial reforms will take time, first, to send away the incompetent and corrupt judges. Secondly, to source competent, honest and judicious lawyers to fill those positions. Today, even hon. Members have expressed a lot of doubt as to whether the law profession, as we have it today, has a purvey of competent and honest people to fill those positions. We do not want to pre-judge anybody. We must subject the process of recruiting lawyers to the rule of law. We should not presume somebody corrupt or guilty until proven so. So, we must set up a system of vetting people in which they can have faith and which is self-competent.

I believe that, as I speak, the Ministry of Justice and Constitutional Affairs, as well as the Attorney-General's Chambers, are, indeed, laying down a process to do this. It may take time but if we are going to have a democratic nation, we must understand that democracy is expensive both in terms of money and time. But I believe that when that is done, we shall have a competent reform of the public sector, which will be lean, keen and efficient.

Mr. Temporary Deputy Chairman, Sir, when I was the Chairman of the Public Investments Committee (PIC), we, as a Committee, unearthed two scandals. One was with regard to the Milling Corporation of Kenya (MCK), which was privatised in an extremely opaque manner. The Auditor-General (Corporations) valued the Milling Corporation of Kenya at about Kshs450 million, and yet

it was sold at only Kshs150 million. It was not even sold. The people who appropriated the Milling Corporation of Kenya moved there without paying a single cent to the Government. We then ordered the Auditor-General (Corporations) to carry out a special audit of the Milling Corporation of Kenya. They even returned a much more accurate and damning report to us. It took a year to sort out that mess. However, even after one year, we never recovered the assets of the Milling Corporation of Kenya.

We learnt from this that the laws governing privatisation were themselves weak, and the Government found itself hamstrung in dealing with a case whereby it was very clear that there was fraud and misappropriation of public assets. That is what convinced me, while in the Opposition, that we needed a proper privatisation law before the privatisation exercise can be carried out. I know that we have been under a lot of pressure from development partners to privatise. But we have said that this House must approve the legal framework for disposing of public assets. These assets have been acquired using taxpayers' money.

Mr. Temporary Deputy Speaker, Sir, the second example is the issue of Nzoia Sugar Mills (NSM), which keeps on re-visiting the pages of the PIC Reports. Nzoia Sugar Mills was a very sad case. In the process of trying to expand Nzoia Sugar Mills to crush about 8,000 metric tonnes of sugar-cane a day, from 2,000 metric tonnes, Phases I and II of the Project were completely bungled. An American company, M/s Arkel International, was involved. Together with the officials of the State corporation, that company defrauded this nation of close to US\$7.8 million. There was an attempt to settle this matter at the International Court of Arbitration, but the case was settled out of court. Again, the Government of Kenya paid M/s Arkel International US\$5 million.

These stories show us that in order to correct the mess that has been produced at the PIC, we must have proper laws and a proper reform programme. We must do this systematically and consistently. I want to assure this House that the Government has taken steps to address these issues, especially the Privatisation Bill that will soon come before this House. We have done that in only one year. It took the previous Government 24 years to destroy this nation. We are trying to bring amends in one year. I know that the nation and this House is impatient, but I would plead with it to scientifically do a score-card-check to find out what the Government is doing.

### QUORUM

**Mr. Chepkitony:** On a point of order, Mr. Temporary Deputy Speaker, Sir. We do not have a quorum.

**Hon. Members:** But the time is over!

**The Temporary Deputy Speaker** (Mr. Khamasi): It is, indeed, true that we do not have a quorum. So, I order that the Division Bell be rung.

*(The Division Bell was rung)*

### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! Order, hon. Members! Prof. Anyang'-Nyong'o, you still have eight minutes to contribute to this Motion when the debate resumes.

Hon. Members, it is now time for interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 19th November, 2003, at 9.00 a.m.

The House rose at 6.30 p.m.