

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 28th January, 2009

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following papers were laid on the Table:-

The Abstracts of Accounts of the Town Council of Sotik for the year ended 30th June, 2004 and the certificate thereon by the Controller and Auditor-General.

The Abstracts of Accounts of the Town Council of Sotik for the year ended 30th June, 2005 and the certificate thereon by the Controller and Auditor-General.

The Abstracts of Accounts of the Town Council of Sotik for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

The Abstracts of Accounts of the Town Council of Nyamache for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

The Abstracts of Accounts of the County Council of Maragua for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

The Abstracts of Accounts of the Town Council of Kimilili for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister, Ministry of State for
Provincial Administration and Internal
Security (Mr. Ojode) on behalf of
the Deputy Prime Minister and
Minister for Local Government)*

The Financial Statements of Chemelil Sugar Company Limited for the year ended 30th June, 2008 and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister, Ministry of
State for Provincial Administration
and Internal Security (Mr. Ojode)
on behalf of the Minister
for Agriculture)*

The Financial Statements of Kenya Water Institute for the year ended 30th June, 2004 and the certificate thereon by the Controller and Auditor-General.

The Financial Statements of the Kenya Water Institute for the year ended 30th June, 2005 and

the certificate thereon by the Controller and Auditor-General.

The Financial Statements of the Kenya Water Institute for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

The Financial Statements of Kenya Water Institute for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister, Ministry of
State for Provincial Administration
and Internal Security (Mr. Ojode)
on behalf of the Minister for
Water and Irrigation)*

QUESTION BY PRIVATE NOTICE

SACKING OF LAICO REGENCY HOTEL STAFF

Mr. Midiwo: Mr. Speaker, Sir, I beg to ask the Minister for Finance the following Question by Private Notice.

(a) Could the Minister explain why 172 employees of LAICO Regency Hotel (formerly Grand Regency Hotel) have been laid off, despite the Minister's assurance in the House on 29th April, 2008 that the jobs were secure?

(b) What urgent steps will the Minister take to ensure that the employees do not lose their jobs?

The Assistant Minister for Finance (Dr. Oburu); Mr. Speaker, Sir, I beg to reply.

(a) I am not in a position to explain why the LAICO Regency Hotel laid off any of its employees as this is outside my mandate. The LAICO Regency is a limited liability company, a private investment registered under the Companies Act which is not under the control of my Ministry.

(b) With regard to part two of the Question, as aforesaid, the Government has no role in the management and operations of the hotel which is a private enterprise. In view of this, I am unable to provide any assurance on the security of the jobs of the employees of the hotel.

Mr. Midiwo: Mr. Speaker, Sir, this is outrageous. A group of Kenyans have approached me, as a Member of Parliament, to ask why on 29th April, 2008, the then Minister for Finance, Mr. Kimunya, stood before this House and gave a Ministerial Statement. He said:-

"Even as the Central Bank of Kenya (CBK) moves to dispose off the hotel, the CBK is sensitive to the fact that the hotel employees, more than 400 Kenyans--- Consequently, the CBK would endeavour to sell the hotel as a going concern so that the livelihoods of many Kenyans working at the hotel and those of their dependants is not jeopardised. It would be irresponsible for the CBK to sell the hotel in a manner that does not take into account the welfare of many Kenyans who are working at the hotel."

I have a list with me of 143 employees of the former Grand Regency Hotel who have been laid off against the promise by the former Minister. It is the responsibility of the Government to make sure that if there is such a word from the Minister, the Government is held responsible.

I want to give the Assistant Minister this list of names because he has said that this is outside his mandate. Is he admitting that the then Minister for Finance, Mr. Kimunya, lied to this House that they would protect the 143 employees whose names I have, although the total number is 178?

Dr. Oburu: Mr. Speaker, Sir, it is true that the former Minister said that the bank and, indeed,

the whole Government was sensitive to the livelihoods of the 400 employees of the hotel at that time. The words that the Minister gave here were to the effect that during the transition, the hotel was being sold as a going concern. When an item is being sold as a going concern it means that the employees were not going to be laid off.

Indeed, along with negotiations with the union concerned known as the Kenya Union of Domestic Hotels, Educational Institutions, Hospitals and Allied Workers, the employees were all retained and all their benefits were computed up to the 30th June, 2008. Those employees who wished to exit at that time were paid all their exit benefits. However, those who wished to remain were to remain. However, this did not mean that the hotel was going to retain the 400 [Dr. Oburu] employees forever. The hotel is a private enterprise. It carried out an assessment to find out exactly what each one of the employees was doing, how effective they were and whether there was over-employment, under-employment or misplacement of employees. Finally, the hotel rationalised and laid off 178 employees and has remained with more than 200. This was the position. The former Minister did not lie to this House. He simply stated that these employees would be retained during the transition moment.

Mr. Imanyara: Mr. Speaker, Sir, you heard the Assistant Minister say that this issue is outside his mandate. However, given that there is a collective responsibility for all Ministers to account to the House; given the very magnitude of unemployment in this country; is it proper for an Assistant Minister who knows that a Question is outside his mandate to come to the House and tell us that the Question is outside his mandate rather than consult the relevant Minister or the Office of the Prime Minister which co-ordinates and supervises Government functions, so that we can get an answer befitting the dignity of this House, particularly on matters concerning employment at this time when the situation is very bad?

Teachers are out there, asking for payment, but the Government is doing absolutely nothing to address their plight. Is it in order, for him to come to this House and tell us that this is outside his mandate, when there is collective responsibility on his part?

Dr. Oburu: Mr. Speaker, Sir, one cannot ask a Question that concerns the Ministry of Health and expect the Ministry of Finance to answer it on the basis of collective responsibility.

It is the duty of this Parliament and also the Parliamentarians to know where to direct their Questions, so that they do not misdirect them. However, even with that in mind, we have attempted to reply and give the facts as they are without shying away from replying. So, I do not know what the hon. Member really wants. I have really told him what the position is now. There are 200 employees who have been retained, while the others have been given their retirement packages, which was agreed upon together with the union, and they have been sent home. I am not sure whether they are unhappy.

Mr. Speaker: Order, Mr. Assistant Minister! The Chair is not satisfied that you have dealt with the concerns that have been raised by Mr. Imanyara satisfactorily. Whereas you contend that you have given a satisfactory answer, in your earlier address to the House, you stated that you were unable to deal with certain aspects that this Question seeks to have information on since it falls under the mandate of the Ministry of Labour.

That, therefore, means that you have not adequately dealt with the Question because you do not have the capacity to do so, as the Assistant Minister for Finance. In that case, the concern by Mr. Imanyara is valid. Where is the doctrine of collective responsibility if you, serving as an Assistant Minister, are unable to obtain information from your colleague that would enable you to communicate adequately? If you are saying that you are unable to deal with this matter effectively because it falls under the ambit of a different Ministry, then you should say so, so that the Chair can give an appropriate direction.

Dr. Oburu: Mr. Speaker, Sir, from the outset, I said that this is a labour matter which requires to be dealt with by the Ministry of Labour. If you so direct, I will have no objection to this

Question being re-directed to the relevant Ministry.

Mr. Speaker: Order, Dr. Oburu! I will direct so, because you have demonstrated that you lack the capacity to sufficiently deal with this matter. So, I order that this Question be deferred to Tuesday, next week. It being a Question by Private Notice, it must be treated with the urgency that it calls for. So, it is deferred to Tuesday, next week. The Minister for Labour must be ready to deal with this Question. Dr. Otuoma, on behalf of the Leader of Government Business, will you, please, confirm that undertaking to the House?

The Minister for Fisheries Development (Mr. Otuoma): Mr. Speaker, Sir, I undertake to pass that message to the relevant Minister.

(Question deferred)

ORAL ANSWERS TO QUESTIONS

Question No.601

PAYMENT OF RETIREMENT BENEFITS TO MR. M. ABDIKARIM

Mr. Abdirahman asked the Minister for Education:-

- (a) when Mr. Mohammed Abdikarim, a DEB employee at Wajir District who retired on 15th September, 2006, be paid his benefits;
- (b) whether he could consider paying the support staff in boarding primary schools directly through schools, and in their respective stations; and,
- (c) when the Ministry last reviewed salary scale for such cadre of staff.

The Assistant Minister for Education (Mr. Mwatela): Mr. Speaker, Sir, this Question came up last week and you will recall that some documents were laid on the Table by the hon. Member. I looked at the documents and, indeed, there are very pertinent issues that require consultation at the Ministry's highest level, so that we can give a concrete and a deserving answer to this Question.

Mr. Speaker, Sir, I am, therefore, requesting that we be given up to Thursday, next week, so that we can give an adequate answer to the Question. I have spoken to the hon. Member and he is agreeable.

Mr. Speaker: Mr. Abdirahman, is that so?

Mr. Abdirahman: Mr. Speaker, Sir, yes, we have consulted. Absolutely, I have no problem in giving the Assistant Minister more time, so that he can bring a reasonable answer as he has requested.

Mr. Speaker: I order that the Question be deferred to Thursday next week.

(Question deferred)

Question No.425

INFESTATION OF LAKE TURKANA FISHERIES BY PARASITES

Mr. Ethuro asked the Minister for Fisheries Development:-

- (a) whether he is aware that fishermen in Lake Turkana are unable to access the European Union (EU) market due to the existence of a certain parasite in the area;
- (b) what the findings of specific scientific research projects are, if any, being

undertaken by the Kenya Marine Research Institute in Kalokol on the parasite;
(c) what institutional mechanisms are in place to communicate/share the findings of such research projects with the local community; and,
(d) what action the Government is taking to eliminate the parasite from the fisheries of Lake Turkana.

The Minister for Fisheries Development (Mr. Otuoma): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that the fish from Turkana has difficulty in getting into the European market owing to an existing parasite in its flesh that is not acceptable in the European market, which basically prefers fresh fillet fish.

However, since research has shown that the parasites have no known side effects on the human health, my Ministry is in the process of identifying stakeholders that can patent dried and processed fish from Lake Turkana, that can be marketed in Kenya and other regions.

(b) The Kenya Marine and Fisheries Research Institute (KEMFRI) has made four expeditions to Lake Turkana, namely, two in 2006/2007 and two in 2007/2008. The first expedition was for reconnaissance.

All other expeditions looked at the status of the fishery, fish and other bio-diversity, types and levels of parasite infestation on the fish, post harvest handling losses and the socio-economic issues of the riparian communities. The KEMFRI has undertaken several research projects in Lake Turkana Fishery and came up with the following findings, which I wish to table before the House.

*(Mr. Otuoma laid the documents
on the Table)*

(c) For effective communication of the new technologies, my Ministry has planned a stakeholders' workshop in March this year and the information will be disseminated to the communities concerned.

I have also put in place a fisheries policy, where the Ministry is being restructured to link research to development and to ensure that there is continuous dissemination of research information to fishermen and other stakeholders. One of the major focus is recognition of the fact that Lake Turkana is our biggest inland water lake, which can provide fish for the local and the international markets.

(d) In the short-term, research findings have not given us adequate information on how we can eliminate the parasite. However, my Ministry continues to do further research in collaboration with other Ministries in order to look at the environmental issues that are promoting the proliferation of these parasites in Lake Turkana.

Mr. Ethuro: Mr. Speaker, Sir, I want to thank the Minister for that answer. In fact, only yesterday, the Minister invited us, the stakeholders, for a thorough briefing on the plans that he has for the Lake Turkana fishery management.

We want our fish from Lake Turkana to reach Europe, but this parasite is blocking our efforts. In the meantime, the Minister is exploring other markets, particularly within the region. What concrete steps will he take, given the fact that this is the largest inland water lake in the country, to ensure that our fish stocks can get that kind of market in the region?

Mr. Otuoma: Mr. Speaker, Sir, as the hon. Member has put it, I have already started meeting the stakeholders to come up with a collective solution to the problem that we are facing there. I am also collaborating with the Ministry of Environment and Mineral Resources. We are also looking at how to improve the infrastructure around the lake.

During the stakeholders' meeting that is scheduled to take place towards the end of March this year, we will invite all the stakeholders. For example, those involved in the infrastructure and the

provision of other services, so that we can adequately exploit the resources of Lake Turkana.

Mr. Bahari: Mr. Speaker, Sir, the Minister has stated clearly that the parasite does not have any known side effects on human health. Since this is the main reason our fish cannot access the EU market, could he consider engaging the EU with a view to, perhaps, making them accept our fish?

Mr. Otuoma: Mr. Speaker, Sir, as I stated earlier, the biggest problem with the European market is that they prefer fresh fish fillet. That is the kind of market that they target. Because of aesthetic reasons, we do not want our country to be down-graded. Currently, we are rated number one in terms of quality control. Currently, we cannot even satisfy the demand for fish. So, we need to target a market for dried or processed fish instead of fresh fillet and our fish is down-graded for aesthetic reasons.

Mr. M. Kamau: Mr. Speaker, Sir, considering that fish is a major source of protein and in view of the current food crisis in Kenya, what is the Government doing to promote fish farming in other areas of the country?

Mr. Otuoma: Mr. Speaker, Sir, as I have said, we have restructured the Ministry. We have come up with various directorates to address issues of quality assurance and aquaculture as major areas. Globally, we have lagged behind. Fish farming is a major component of fish management in other countries. In Kenya, we are handling 1 per cent. That is why, in the restructuring, we have come up with a directorate of fish farming, namely, aquaculture. This will be a major area of growth for us.

We have already targeted areas in the Coast, Central, Western and the Rift Valley provinces, to make sure that we have quality fingerlings and proper feeds, so that immediately we start disseminating this information, we do not go into a crisis management. We need to come up with a package that will help in contributing to food security in this country.

Mr. Ethuro: Mr. Speaker, Sir, Lake Turkana covers an area of 7,560 square kilometres. The 6 per cent of Lake Victoria that belongs to Kenya is only 4,260 square kilometres. The amount that is going into developing Lake Victoria is enormous, compared to nothing that the Minister allocates to Lake Turkana. I would like to request the Minister to set aside some money in the next financial year to support either the development of an authority or for the Lake Turkana development plans to ensure that our fishermen exploit that natural resource properly.

Mr. Otuoma: Mr. Speaker, Sir, it is rightly so stated that Lake Turkana is our biggest inland water source. As I have said, in restructuring the Ministry, we have also come up with a Directorate of Inland Fisheries, that will identify our resources and we will exploit them for the full benefits of the communities around there and the country at large.

So, that will be addressed in the new policy. I hope to have the Bill brought to the House very soon to support the policy. I can announce to the House that, at least, the policy went through the Cabinet. It will be addressing a lot of those issues. We want to make sure that all our fishery resources, not only in Lake Turkana, but also in the coastal area, where we have an ocean that we are not utilising, are utilised fully.

Question No.491

MEASURES TO CURB POLLUTION
OF VOI RIVER

Mr. Mwakulegwa asked the Minister for Environment and Mineral Resources:-

(a) whether he is aware that overflowing at the banks of Voi River as well as waste disposal into the river by sisal estates is causing serious pollution which is a threat to the environment; and,

(b) what steps the Minister will take to correct the situation.

Mr. Speaker, Sir, I beg to seek your indulgence. I do not have a written answer from the Ministry.

Mr. Speaker: Assistant Minister for Environment and Mineral Resources, before you proceed, what is the state of the written answer that the hon. Member complains that he does not have?

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, the Ministry circulated the answer through Parliament.

Mr. Speaker: You have evidence to show that you did so?

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, I instructed my officers to circulate it and---

Mr. Speaker: Order, Mr. Assistant Minister! I have asked you a very simple question: Do you have evidence that you circulated the answer through Parliament?

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, I have the evidence. The evidence that I am talking about is that this Question was brought to the House and it was the hon. Member who deferred the Question. Why did he not say that he had not received a written answer then?

Mr. Speaker: It will appear like you do not have evidence because even the statement you have made is inaccurate. Hon. Mwakulegwa cannot defer a Question! That, therefore, tells the Chair that you are not well prepared to answer this Question.

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, I am very much prepared to answer the Question. With due respect to the Chair, I am very much prepared. It is true that the Question was deferred by the Chair.

Mr. Speaker: Order, Mr. Kajembe! You have stated, and I heard you clearly, that the Question was deferred by hon. Mwakulegwa. Hon. Mwakulegwa does not have that authority to defer Questions.

Own up, Mr. Assistant Minister!

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, the Chair deferred the Question that time. It was deferred at the request of---

Mr. Speaker: Mr. Assistant Minister, it is okay now! I will help you. You have now amended your assertion to say correctly that the Chair deferred the Question.

Mr. Mwakulegwa, are you able to deal with this matter without a written response?

Mr. Mwakulegwa: Yes, Mr. Speaker, Sir.

Mr. Speaker: Mr. Assistant Minister, please, proceed!

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that overflowing at the banks of Voi River as well as waste disposal into the river by sisal estates is causing serious pollution and threat to the environment.

(b) My Ministry has taken various steps to correct the situation. For instance, on 16th September 2008, my Ministry directed Voi Sisal Factory to immediately apply for an Effluent Discharge Licence from the National Environment Management Authority (NEMA) which will ensure that the effluent being discharged into Voi River conforms with effluent discharge standards set by Environmental Management and Co-ordination Waste Management Regulations of 2006.

In addition, my Ministry has directed the factory to instal a waste-water treatment plant for the treatment of water before being allowed to flow back to Voi River. The factory management was further directed to construct a closed drainage system with channels and special chambers to convey waste water from factory across the dry river bed to the effluent treatment plant to stop

discharge of untreated effluent into the surrounding environment, especially during the rainy season.

Other measures which the Ministry has instituted include directing the factory to institute measures to eliminate emission of foul smell and facilitating the area's District Environment Committee to ensure that these measures are effected in the shortest time possible, failure to which legal action would be taken without any further reference to the factory.

Mr. Mwakulegwa Mr. Speaker, Sir, I would like the Assistant Minister to confirm when the waste water treatment plant will be in place at that factory.

Mr. Kajembe: Mr Speaker, Sir, we directed the factory to do that in September, 2008.

Mr. Speaker: Last question, Mr. Mwakulegwa!

Mr. Mwakulegwa: Mr. Speaker, Sir, the Assistant Minister said that they directed the factory to do that in September, 2008, which is last year. Could he be meaning 2009? I was there yesterday and it has not been done.

Mr. Kajembe: Mr. Speaker, Sir, we told the owner of the factory to comply with the NEMA requirements. From that time to date, he has not complied. Therefore, NEMA closed the factory until such a time that the owner will comply with the regulations.

Mr. Speaker: Next Question, Mr. Pesa!

Question No.519

EXPENDITURE ON AGRICULTURAL
DEVELOPMENT PROJECTS IN MIGORI

Mr. Pesa asked the Minister for Agriculture:-

- (a) what projects the Ministry, in its agricultural development, production and food security, has undertaken in Migori Constituency in the last four years;
- (b) what the concrete results for (a) above are; and,
- (c) how much money the Ministry spent in the area during the same period and whether he could lay on the Table the expenditure.

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, I beg the indulgence of this House so that I answer this Question tomorrow because there is additional information which I requested from the ground. However, this did not get to my office in time to enable me answer this Question comprehensively.

Mr. Speaker: Mr. Pesa, is that okay with you?

Mr. Pesa: Mr. Speaker, Sir, I am very impressed with the Minister and, therefore, accept his request.

Mr. Speaker: The Question is deferred to tomorrow afternoon!

(Question deferred)

Question No.439

NUMBER OF POLICE OFFICERS
UNDER INTERDICTION

Mr. Wamalwa asked the Minister of State for Provincial Administration and Internal Security:-

- (a) whether he could indicate the number of police officers currently under interdiction;
- (b) whether he could explain the circumstances

surrounding the interdiction of Police Superintendent Joseph Kasili Kundu (P/No.217751), a former DCIO Embakasi, as well as the status of his appeal, if at all; and,

(c) what measures the Government is taking to ensure that all such cases are finalised expeditiously.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) There are a total of 348 police officers who are under interdiction. The breakdown is as follows:-

| | |
|----------------------------|------------|
| 1. Senior Superintendent - | 2 |
| 2. Superintendent - | 3 |
| 3. Chief Inspector - | 14 |
| 4. Inspector - | 14 |
| 5. Senior Sergeant - | 14 |
| 6. Sergeant - | 8 |
| 7. Corporal - | 20 |
| 7. Police Constable - | 283 |
| TOTAL - | 348 |

(b) Circumstances surrounding the cases are as follows:-

On 15th January 2006, a Mr. Elly Owuor Obuya complained at the Police Headquarters that the DCIO Embakasi, Mr. Joseph K. Kundu SP and some officers attached to his office had stolen from him some US\$14,350. The theft occurred after the complainant had been locked up in cells at Embakasi Police Station for an offence of:-

- (i) Obtaining money by false pretences.
- (ii) Stealing goods in transit.
- (iii) Making a false document.

Following the allegations, the Commissioner of Police directed that the matter be investigated by the Director of Criminal Investigations. On 28th August, 2006, the said Joseph Kundu and three other officers were interdicted on half-pay after the investigating officer concluded the inquiry into the complaint and had recommended that:-

- (i) SP Joseph Kasili Kundu, P/No.217751;
- (ii) Jane Rose Mugambi, P/No.64141;
- (iii) PC Albert Onyancha, P/No.73325; and,
- (iv) PC Isaiah Kimani, P/No.74853,

be arraigned before court for theft.

(c) Cases of interdictions are reviewed regularly after completion of inquiries leading to such interdictions.

Mr. Wamalwa: Mr. Speaker, Sir, I am afraid the Assistant Minister has not answered my Question. My Question was very specific. I was asking not just about the facts but the status of the appeal. This was a whole DCIO who was interdicted on mere allegations. He launched an appeal in 2006. It is now 2009. He has been at home for three years. What is the status of his appeal? What have you done? He appealed and up to now, he has heard nothing, he continues to suffer at home.

Secondly, I have asked, what are you doing---?

Mr. Speaker: Order, Mr. Wamalwa! You are allowed one supplementary question at a time! You have asked one as I heard you. Your question is: What is the status of the appeal? Is that so?

Mr. Wamalwa: Yes, Mr. Speaker, Sir, though he has not answered the supplementary question. It was in two parts; that is, the status of the appeal and what they are doing to ensure expeditious disposal of such an appeal. He has not answered both parts of the question.

Mr. Ojode: Mr. Speaker, Sir, it is true that the appeal case has not been handled in the manner I was thinking of. I would like to seek the indulgence of the Chair for me to defer this Question so that I can get an explanation on the appeal bit.

Mr. Speaker: Order, Mr. Assistant Minister! You do not have powers to defer a Question.

Mr. Ojode: Mr. Speaker, Sir, I am just requesting because I did not get information on the status of the appeal.

Mr. Speaker: I cannot grant you that permission. You are asking me to allow you to defer the Question!

Mr. Ojode: Mr. Speaker, Sir, I am requesting the Chair to defer this Question in order for me to check on the appeal bit.

Mr. Speaker: Very well. What is your position, Mr. Wamalwa? Would you want this Question deferred?

Mr. Wamalwa: Yes, Mr. Speaker, Sir. We need to know the truth.

Mr. Abdirahman: On a point of order, Mr. Speaker, Sir. The Assistant Minister is asking you to defer the Question only for the bit that relates to the appeal and yet we have many more questions which relate to the interdictions and the manner in which cases are handled. He should address the Question in a holistic manner.

Mr. Speaker: Mr. Abdirahman, there are actually two questions that the Assistant Minister has been asked by Mr. Wamalwa, but he is unable to give answers to them. It is the presumption and, therefore, the position of the Chair that it is likely that this Question has answers that the Assistant Minister may give to the two supplementary questions by Mr. Wamalwa that would be inter-related to the other supplementary question.

So, because of that, it may not be plausible to let the Assistant Minister deal with supplementary questions which, perhaps, would have been sufficiently provided for in the answers to the two questions that we have deferred.

Mr. Bahari: On a point of order, Mr. Speaker, Sir. I agree with Mr. Abdirahman that this is a very important Question. Because of the number of interdiction cases; that is, 348, and so that the Assistant Minister does not forget, would I be in order to ask him when he will bring the appropriate answer to tell us within what specific period a case should be determined?

Mr. Speaker: Order, Mr. Bahari! I have already given directions on this matter and I agree that the Question is important. Mr. Assistant Minister, could you, please, ensure that next time you come here on Wednesday afternoon, you are equipped with all the necessary information.

Mr. Ojode: Mr. Speaker, Sir, I confirm that I will equip myself with all the documents. I thank you for hearing my plea.

Mr. Speaker: Very well. It is so ordered. The Question is deferred until Wednesday next week in the afternoon.

(Question deferred)

Question No.192

PROVISION OF POLICE PATROL VEHICLES
ALONG NAIVASHA-NAKURU HIGHWAY

Mr. Mututho asked the Minister of State for Provincial Administration and Internal Security:-

(a) if he could confirm that Naivasha Police Division covers the Naivasha-Nakuru

Highway from Kinungi Flyover area, the Suswa Escarpment and all the way to Stem Hotel in Nakuru and yet only one Land Rover vehicle is available for use by both the Officer Commanding Police Division (OCPD) and the Provincial Criminal Investigation Officer (PCIO); and,

(b) considering that most traffic from western Kenya, Nyanza, Nyandarua and Narok passes through the area under the jurisdiction of the Naivasha Police Division, if he could urgently consider highway patrol vehicles to the area OCPD, DCIO, NSIS and the District Commissioner (DC) to enhance security along the highway.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) It is true that the OCPD Naivasha covers the highway from Kinungi Flyover to Stem Hotel and from Suswa Escarpment, which is the old Nairobi-Naivasha Road, all the way to Stem Hotel. The two highways fall under the police jurisdiction of OCPD Naivasha.

It is, however, not true that only one vehicle is available for use by the OCPD and the PCIO. On the contrary, the OCPD has a fleet of 11 vehicles under his command and deployment. That fleet of 11 vehicles include vehicles assigned to the CID or any other security agency based within Naivasha Police Division. The PCIO has his vehicle at the Provincial Headquarters.

(b) There is a highway patrol vehicle which is attached to the division and its number is GK A 483N. It is a Toyota RAV 4. There is also a traffic vehicle GK A 557B. It is a Land Rover. The station vehicles along the highway are used as back up for the two vehicles deployed on patrol of the highway.

Mr. Mututho: Mr. Speaker, Sir, I would like to thank the Assistant Minister, not for his answer, but for giving us the finest officers who man that area. These vehicles are too old and most of them are grounded. Furthermore, there are five divisions. When will we have a vehicle that can patrol the highway in speed that you travel, Mr. Assistant Minister?

Mr. Ojode: Mr. Speaker, Sir, I armed myself with the details of the vehicles which serve Naivasha Police Division. Out of a total of 14 vehicles, only one is unserviceable. For one division to have 13 vehicles, I think that is on the higher side. There are a number of my colleagues who are also looking forward to getting vehicles. I will prioritise areas that do not have vehicles. Later on, the issue of replacing the old vehicles will be considered.

As at now, the hon. Member, who is a friend of mine, should be very happy that he has 13 serviceable vehicles. I do not think I will give him new vehicles as yet until I finalise with others who do not have vehicles at all.

Mr. Mututho: On a point of order, Mr. Speaker, Sir. It is true that he is my very good friend. It is a fact that he has given me very good officers. However, this is an international highway covering part of our country up to Uganda. You have seen it in his answer. He has provided the Naivasha Police Division with a RAV4 vehicle which is a baby four-wheel drive which moves more slowly than a Toyota Corolla and a Land Rover which does not even have turbo charge.

Mr. Speaker: Order, Mr. Mututho! You stood on a point of order. The Chair has been very categorical that if you stand on a point of order, then you must stick to the rules pertaining to the point of order. Is that not so?

Mr. Mututho: Yes, Mr. Speaker, Sir.

Mr. Speaker: Would you, please, confirm that you will be so careful as to comply with the rules?

Mr. Mututho: Mr. Speaker, Sir, I confirm that I will do that in future.

Mr. K. Kilonzo: Mr. Speaker, Sir, I want to thank this Assistant Minister for the diligence with which he does his work. He is one of the Assistant Ministers who bring very good answers.

However, I want to ask him to confirm that the biggest problem with police vehicles is the lack

of fuel. Any time you go to the police stations, you will be told that they have vehicles, but no fuel. What is the Assistant Minister doing to ensure that the Ministry provides sufficient fuel to enable police officers patrol their areas?

Mr. Ojode: Mr. Speaker, Sir, previously, there used to be something like that. This time round, we have doubled the allocation of funds for purposes of fuel and lubricants. If there is any police officer who says that he or she has not been given enough fuel, I would want the name of that officer so that stern action can be taken against him or her.

I am saying that because we have doubled that allocation. The Government is trying its best. We have given out vehicles and we are going to give out more fuel and lubricants. An officer should not allege that he or she does not have any fuel.

Mr. Abdirahman: Mr. Speaker, Sir, I want to take this opportunity to thank the district security team in Naivasha. I got a small accident last night and they quickly attended to us. They were all on the scene, including the District Commissioner and the Officer Commanding Police Division (OCPD). It is a wonderful team. But listening to the Assistant Minister, he has just said that in terms of reporting OCPDs or PPOs who do not really tell us whether they have fuel or no fuel, borders on intimidation honestly. He has said that they have doubled fuel.

I wonder whether they are in touch with the reality as a Ministry. I want the Assistant Minister to tell us, in all honesty, because there are complicities and uniqueness in certain regions and even in Naivasha where I was. Could you tell us how much you allocate, on average, considering those complexities in places like Naivasha, Nakuru and North Eastern Province where I come from? Could you just give us a small comparison in terms of how much you have allocated in this first quarter?

Mr. Ojode: Mr. Speaker, Sir, you will agree with me that, that is a different Question. But I am able to provide the details of the allocations, although it is a different question.

Mr. Njuguna: Thank you, Mr. Speaker, Sir, for giving me this opportunity to ask a small question to the Assistant Minister. He has indicated properly that Naivasha Constituency enjoys 13 vehicles and one unserviceable vehicle. What criteria was used? That is because Lari Constituency, which has about 200,000 people, is served by one un-motorable vehicle.

Mr. Ojode: Mr. Speaker, Sir, you will agree with me that Naivasha cannot be compared to the hon. Member's place because there is a lot of insecurity. Naivasha is also expansive. In any case, if I got another vehicle, I would actually give it to Naivasha to be used by police officers to patrol the bigger highway, which is very insecure.

Nevertheless, if it is true that the hon. Member's constituency does not have a serviceable vehicle, just as I mentioned even in the morning, we will do a reallocation and he will be a beneficiary of the same. I am not saying that he is going to be a beneficiary, but he can be. I am saying that because quite a number of my colleagues want vehicles. We have 210 constituencies and if need be, each constituency will definitely get a vehicle, should we have enough funds.

Mr. Mututho: Mr. Speaker, Sir, I am satisfied with the answer. But could I seek your indulgence--

Mr. Speaker: If you are satisfied with the answer, I have no reason to extend any indulgence to you! Mr. Kamau, you seem interested in this matter.

Mr. M. Kamau: Mr. Speaker, Sir, police patrols and road-blocks are very popular within the Police Force. Could the Assistant Minister confirm to this House why they have so many police officers patrolling one area at the expense of other stations. I can give an example of a section along the Thika-Nyeri Road. There is a police station with 24 officers and 16 of them are on the road.

Could he explain why police officers like going to the roads and leaving their stations without police officers?

Mr. Ojode: Mr. Speaker, Sir, if we get some information that something will happen in an area, we normally beef up security within that area for security purposes.

Mr. Speaker: Next Question.

Question No.606

UPGRADING OF ROADS IN
KIRINYAGA CENTRAL

Mr. Kariuki asked the Minister for Roads:-

- (a) what short-term measures he will take to ensure that Baricho-Kagumo-Gatwe and Kagumo-Mununga-Gathuthuma-Gatwe roads are made motorable; and,
- (b) when he will upgrade the roads to either gravel or bitumen standards.

The Assistant Minister for Roads (Dr. Machage): Mr. Speaker, Sir, I beg to reply.

(a) The road from Baricho through Kagumo to Gatwe (Road E610) has an allocation of Kshs1,211,000 in the current financial year for its maintenance and spot improvement works.

The road from Gatwe through Kagumo and Mununga, ending at Gathuthuma has an allocation of Kshs1,269,600 in the current financial year for its maintenance and spot improvement. Works on both roads are on-going now.

(b) The District Roads Engineer has been asked to table the two roads before the District Roads Committee for prioritisation to improve them to gravel standards in the financial year 2009/2010.

Mr. Kariuki: Mr. Speaker, Sir, I thank the Assistant Minister for that answer. But, in view of the fact that those two roads serve very important agricultural areas which grow coffee and tea, we are all aware that coffee and tea has to be delivered and processed on time to maintain the quality that Kenyan is known for.

I would like to know when the District Roads Engineer will send that report and when the Assistant Minister expects to start the work?

Dr. Machage: Mr. Speaker, Sir, I take great cognisance of the fact that, that is a high potential agricultural area. That is the reason why I instructed the District Roads Engineer, who I believe will consult the hon. Member, to fix the date for the prioritisation meeting as soon as even tomorrow.

Thank you.

Mr. Kariuki: Mr. Speaker, Sir, we have a few problems with the road construction in my area. There is the Kerugoya-Baricho Road which has been under construction for the last 20 years.

I say 20 years because 20 years ago, there was money and the work started. It was abandoned and the work has started again. But it is moving very slowly. Could the Assistant Minister assure us that he will get in touch with the contractor and ask him to expedite the work?

Dr. Machage: Mr. Speaker, Sir, I have taken note of the concerns by the hon. Member of Parliament. I believe the contractor is working as per his contractual obligations. If he has failed in any part of the contract agreements, I will take action.

Mr. Speaker: Amb. Affey! Question dropped!

Question No.409

TARMACKING OF WAJIR-
MANDERA ROAD

(Question dropped)

Next Question by Mr. Letimalo!

Question No.559

DEVELOPMENT PROJECTS INITIATED BY
LODGES/TENTED CAMPS IN SAMBURU

Mr. Letimalo asked the Minister for Tourism:-

- (a) whether he could state the number, names and proprietors of lodges/tented camps in Samburu East District;
- (b) the current staff establishment in each lodge/tented camp with respect to permanent and casual employment;
- (c) whether he could provide a breakdown of employees in each of the lodges/tented camps from the district, indicating their names and whether they are permanently or casually employed; and,
- (d) what development projects each of those establishments has initiated to support the local communities.

I wish to draw the attention of the Chair that I have not been supplied with a written answer.

Mr. Speaker: Are you prepared to proceed without the written answer?

Mr. Letimalo: No, Sir! This is a detailed Question and I wish to make reference to the answer given by the Minister.

Mr. Speaker: Mr. Minister, could you offer an explanation as to why the written answer has not been furnished to the hon. Member? Minister for Tourism!

Leader of Government Business, where is your Minister?

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, the Minister is out of the country and the Assistant Minister was supposed to be here. I will undertake to make sure that this Question will be answered tomorrow, and seek the indulgence of the House.

Mr. Speaker: Very well, Mr. Minister! Will you also undertake to ensure that in future, Questions are not deferred because Ministers are not available?

The Minister for Agriculture (Mr. Samoei): I will do that, Mr. Speaker, Sir.

Mr. Speaker: So, this Question is deferred to Wednesday next week. Is that fine with you Mr. Letimalo?

Mr. Letimalo: Yes, Mr. Speaker, Sir.

(Question deferred)

Mr. Speaker: Next Question!

Question No.263

INACCESSIBILITY OF SEWER LINE
BY MWALIMU HOTEL

Mr. Ombui asked the Deputy Prime Minister and Minister for Local Government:-

- (a) whether he is aware that Mwalimu Hotel in Kisii is not connected to a sewer line; and,
- (b) what plans the Ministry has to remove the perimeter wall to allow free access to

the sewer line, which is a public utility.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Mr. Speaker, Sir, I beg to reply.

(a) Mwalimu Hotel in Kisii is connected to the main sewer system by a branchline.

(b) Since there is already a sewerline connecting Mwalimu Hotel to the main sewer system, the removal of the existing perimeter wall for the purpose of allowing free access of the sewer line does not, therefore, arise.

Mr. Ombui: Mr. Speaker, Sir, the Assistant Minister has given an answer, but it does not clearly indicate what I have asked in this kind of Question. Could he explain what he means by a "branchline".

Mr. Githae: Mr. Speaker, Sir, a branchline is that minor system of the sewer. This hotel is connected to the sewer, and I have a map here, which I can show the hon. Member. It is done just below Plot No.213 owned by Gudika. So, there is a sewer line. Therefore, there is no need of demolishing the perimeter wall.

Let me explain what is happening. There is a dispute between Mwalimu Hotel and a certain Gudika concerning the plot. That is the crux of the matter. In fact, there are two cases that are in court. There is even an appeal. The issue here is ownership and not the sewer. There is a dispute between the two owners.

Mr. Speaker: Last question, Mr. Ombui!

Mr. Ombui: Mr. Speaker, Sir, the Assistant Minister is giving an answer without any proper information from the ground. My Question is specifically on the issue of the sewer line.

There was a court order, which was given on 25th April, 2006, ordering Kisii Municipal Council to connect the sewer line of Mwalimu Hotel to the main sewerage.

Mr. Olago: On a point of order, Mr. Speaker, Sir. If it is true, as the hon. Member is saying, that the matter was a subject of court proceedings, is it in order for the Question to have been asked or answered in the first place?

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

Mr. Ombui: Mr. Speaker, Sir, my reaction is that a court order was granted, and Kisii Municipal Council was given an order to connect the sewer line. So, it is not a case in court right now.

Mr. Speaker: Proceed!

Mr. Ombui: Could the Assistant Minister confirm that the perimeter wall is constructed on the sewer line?

Mr. Githae: Mr. Speaker, Sir, I have a map showing the layout of the sewer system, and I want to confirm that Mwalimu Hotel is connected to the sewer system. I have a map here with me. I can see a road and three manholes. So, for there to be manholes, there must be a sewer line. The issue here is plot dispute between Mr. Gudika and Mwalimu Hotel. They are both claiming Plot No.213.

It is true that there is a perimeter fence, but it has nothing to do with the sewer line. In fact, Plot Nos.213 and 214 are on the main road. I can give the hon. Member this map, so that he can see whether what I am saying is true or not.

Mr. Ombui: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to answer a Question using the map and without going to visit the place and see what is happening on the ground?

Mr. Githae: Mr. Speaker, Sir, in the absence of going there physically, and bringing the sewer system to the House as evidence, the best we can do is bring a map. I have a map here showing the drawing, the layout, the plots, manholes and so on.

Mr. Speaker: That was the last question on that matter.

Next Question by Mr. Waititu!

*Question No.568*IRREGULAR SALE OF UTILITY
PLOTS BY FARMERS COMPANIES
IN EMBAKASI

Is Mr. Waititu not here? Then that Question is dropped.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): On a point of order, Mr. Speaker, Sir. Whenever Ministers are not in the House, you usually advise them to take the business of the House seriously. I just want to put it on record that I was ready and willing to ably answer the Question.

Mr. Speaker: That is a very good reaction to the situation, Mr. Assistant Minister, but which is the greater punishment? Dropping a Question or cautioning a Minister? It is obviously dropping a Question! So, the punishment meted out to hon. Members is graver, relative to that meted out to Ministers. I think the position ought to be that all of us hon. Members of the House, including the Speaker, should take the business of the House seriously.

(Question dropped)

Next Question, Mr. Mbau!

*Question No.353*PROVISION OF ACARICIDES
TO LIVESTOCK FARMERS

Mr. Mbau asked the Minister for Livestock Development:-

- (a) Given that the Government provides free primary and partially free secondary education, free ARVs to HIV/AIDS patients and free mosquito nets to pregnant mothers, whether he could consider supplying free acaricides to deserving livestock farmers;
- (b) how much it would cost, in terms of capital outlay, to provide free acaricides to revamp the critical sector; and,
- (c) what other new measures the Government is taking to revitalise this sector following the creation of the new Ministry.

The Assistant Minister for Livestock Development (Mr. Duale): Mr. Speaker, Sir, I beg to reply.

(a) The implementation of the livestock policy reforms in 1990, following the recommendations in Sessional Paper No.1 of 1986, transferred tick control services from the public service and Government to the private sector.

Under the technical supervision of the Ministry of Livestock, it, therefore, became the responsibility of the livestock farmers to control tick and tick-borne diseases within their areas. Within that framework, the Government has no plans to supply free acaricides to support the livestock farmers. The Government, however, continues to give support to livestock farmers through continued training and management of the use of acaricides, as well as making sure that effective control of tick-borne diseases is available.

(b) Since the Government has not been offering this service of free acaricides, it is imperative

and not possible to calculate the capital outlay.

(c) To revitalise this sector, my Ministry has reviewed the livestock policy which was in this House last month, to address the challenges and the shortcomings arising from the dependency on liberalisation that was put in place by the Government in 1990.

To reduce the dependency on acaracides in tick-borne control, the Government has also allowed the use of Muguga Cocktail East Coast Fever vaccine for commercialisation on a pilot basis. This is being promoted in the Maasai ecosystem of Trans-Mara, Narok and Kajiado, with the intention of rolling it out to the other parts of the country.

Mr. Mbau: Mr. Speaker, Sir, first, I want to submit that I do not have a written answer from the Assistant Minister. Nonetheless, I am able to interrogate. You have heard him submit that the Government stopped supporting the livestock sector many years ago. It is here on record that for the past 20 years, this Ministry has not recruited veterinary officers to support this very critical sector in so far as our socio-economic development is concerned.

Could he confirm or tell this House what the Ministry is doing to ensure the circumstances of 1986 and those of 2008 which certainly are very different, are being supported appropriately through funding? Secondly, what attempt is his Ministry making to review that policy of 1930, so that he can give more support to livestock farmers?

Mr. Duale: Mr. Speaker, Sir, I agree with the hon. Member that in 1986 and early 1990s, under the World Bank programme of liberalisation, the extension services which were given out by the Ministry of Livestock Development to farmers were stopped. However, I want to assure this House that under the new livestock policy that was debated in this House, we are bringing back this recruitment.

We are looking at these strategies as those of public good. I want to assure the hon. Member that we have not recruited veterinary staff for the last 20 years but this year, and in particular this month, the Public Service Commission is recruiting 600 technical officers out of which 100 are veterinary surgeons. So, I want to assure this House that we are back and we want to give enough extension services. We want to service the dips. We want to bring back the livestock infrastructure.

Mr. Shakeel: Mr. Speaker, Sir, this Assistant Minister has talked about cattle dips, but I have spoken to livestock directors and they have told me that they are doing away with cattle dips and instead, putting up crush pens. They are asking for the support of the Constituencies Development Fund (CDF) to finance the cattle dips. Is the Assistant Minister in order to mislead this House?

Mr. Duale: Mr. Speaker, Sir, I want the hon. Member to come to my office and inform me of the said officer because as far as we are concerned, cattle dips are part and parcel of the entire livestock infrastructure that this country needs in terms of disease control and surveillance. I want to inform the hon. Member that they might use the CDF in partnership with the private sector but it is our mandate and responsibility to control diseases across the board.

Mr. Mbau: Mr. Speaker, Sir, as you note in my Question, it is premised on the fact that the Government has been supplying free ARVs, mosquito nets and quite a number of free goodies to other sectors in this country. Why is the Government unable to supply free acaracides, at least in the short-term, before this other policy becomes effective?

Mr. Duale: Mr. Speaker, Sir, I totally agree that the Government is providing free ARVs and many other things but I want to assure the hon. Member that it is quite a process. Maybe, one day when this country will have enough resources, we will provide free acaricides to the Kenyan livestock farmers..

Mr. Speaker: Next Question by Mr. K. Kilonzo!

ADJUSTMENT/LEGAL DEFINITION
OF "YOUTH"

Mr. K. Kilonzo asked the Minister for Youth Affairs and Sports, that considering many children drop out after completing primary school education to engage in employment, if she could adjust the legal definition of "Youth" from 18 years to 14 years so that they can benefit from the Youth Enterprise Development Fund.

The Assistant Minister for Youth and Sports (Mr. Kabando wa Kabando): Mr. Speaker, Sir, I beg to reply.

It is not within my mandate to lower the minimum age of the youth to qualify for the Youth Enterprise Development Fund (YEDF) from a minimum of 18 years to a minimum of 14 years. The Kenya law requires that for one to enter into a binding contract, he or she must belong to the age of majority. To register a business or any enterprise and operate a bank account, one requires an Identity Card (ID) and that means that he or she must be 18 years or above.

Secondly, hon. Members may however wish to note that the constituency component of the YEDF is advanced to groups which are allowed to have a membership of 30 per cent outside the 18 to 35 years age bracket. Therefore, youth below the age of 18 years can benefit from the Fund by being members of a group.

Hon. Members may also wish to know that the fund has other products such as business development services which benefit youth below the age of 18 years.

Mr. K. Kilonzo: Mr. Speaker, Sir, I realise the Assistant Minister is not taking this Question seriously. Many of the problems we are having in this country are as a result of young people on the streets who are not able to get employment because of lack of IDs and driving licences. Hence, you find them being recruited into some of these illegal organisations.

Could he inform the House what concrete measures his Ministry is taking to ensure that these youth are allowed to get other legal documents like driving licences *et cetera*, to enable them do something legal?

Mr. Kabando wa Kabando: Mr. Speaker, Sir, the Ministry of Youth Affairs and Sports takes matters concerning the youth very seriously because it is a critical issue. Therefore, I want to assure this House that in terms of taking serious considerations and measures that will incorporate young people below 18 years to benefit from the YEDF and specifically the constituency component of that Fund, we have taken that concrete step so that these young people, most of whom maybe in secondary schools or just after completing primary school and form four, can join other youth who by the Kenyan law are in the age of majority and by law permitted to enter into a contract so that they can benefit from YEDF being together.

Under the Kenyan law which has not changed, one must be 18 years in order to get this legal document that the hon. Member is referring to. Therefore, as a Ministry, we have taken this matter very seriously.

Also in collaboration with this House, as you do appreciate that a lot of them came to the sharing session, is to get this critical mass of young people between the ages of 14 and 18 to get into these groups with the advise of the constituency youth officers together with the Members of Parliament.

Mr. Nyambati: Mr. Speaker, Sir, a country which cannot take care of its youth is doomed. I feel like that is where we are heading in this country. Given that we have so many youths in this country, what is the Ministry doing to increase the youth Fund that we are currently getting in the constituencies?

Mr. Kabando wa Kabando: Mr. Speaker, Sir, an additional Kshs500 million was added into the kitty by the Government in the current financial year. Recently, we had a partnership with four

commercial banks; Kenya Commercial Bank, Equity Bank, Family Bank and the First Community Bank to get more funding to expand the kitty that has been provided by the central Government. This amounts to nearly Kshs2.5 billion. This has been done and the campaign is going on to ensure that the registered youth groups apply and benefit from this kitty.

Mr. Olago: Mr. Speaker, Sir, the law is not made to serve the interests of other persons apart from the citizens. If there is need for the law to be amended to define young as people aged 18 years and not any other age, it should be done. If there is going to be a contradiction in that amendment, then the Assistant Minister should say that he needs to have an inter-ministerial committee to look at how the law can be amended so that the legislation can incorporate the young because there is no doubt that the youth nowadays mature much earlier than they used to.

Mr. Kabando wa Kabando: Mr. Speaker, Sir, the age of 18 years is recognised internationally as the age of majority where people qualify to obtain legal documents and enter into local, national and even international contracts. However, I agree that there is need to review certain components of the law so that these young people can be allowed to participate in meaningful and sustainable economic development.

Mr. K. Kilonzo: Mr. Speaker, Sir, in view of the fact that many youths leave Standard Eight and Form Four before they attain the age of 18 years, and given the fact that the NYS falls under the Ministry of Youth Affairs and Sports and it targets the same youth, could the Ministry consider taking the youths who have qualified but do not have identity cards because they have not attained the age of 18 years, on the understanding that by the time they graduate from the National Youth Service they would have already attained the age to acquire an identity card?

Mr. Kabando wa Kabando: Mr. Speaker, Sir, these young people need to be considered. We also need to be conscious of the fact that there are other aspects which target these young people when they finish primary and secondary schools. This includes the business development aspect such that by the time they reach 18 years or they are members of groups of people aged 18 years and above, they benefit.

Secondly, the other programmes including training on awareness, patriotism, HIV/AIDS and also the availability of opportunities in the youth polytechnics which we are supporting in every constituency where young people below the age of 18 and who complete Standard Eight qualify---

Mr. K. Kilonzo: On a point of order, Mr. Speaker, Sir. You can see clearly that the Assistant Minister is not answering the question I have asked him. I have been very specific on the National Youth Service which falls under his Ministry.

Since it targets the youths and the Assistant Minister has taken cognisance of the fact that youths mature early and they complete school without getting identity cards, could he consider absorbing them in the National Youth Service on the understanding that by the time they graduate, they will be eligible to get identity cards?

Mr. Kabando wa Kabando: Mr. Speaker, Sir, the policy existing requires that those admitted to the National Youth Service achieve a certain grade after Form Four. There may be very extreme exceptions in very marginalised areas but we also need a policy which is possible to implement and is agreeable nationally.

We appreciate the fact that there are so many jobless and idle youth between the age of 18 and 35 who need to be assimilated. Therefore, we need to be objective and realistic so that we do not open floodgates that will exclude those who need to be harvested because minimum qualifications need to be set so that we harvest from the available that need to be rolled out to the job market.

Mr. C. Kilonzo: On a point of order, Mr. Speaker, Sir. I wish to stand on a point of order and refer to Standing Order No.31(2) which---

Mr. Speaker: With respect to what?

Mr. C. Kilonzo: To the next order, Mr. Speaker, Sir.

Mr. Speaker: It has not yet been called. We have a Ministerial Statement which was deferred to today on the Ministry of Agriculture.

Could you proceed, Mr. Minister?

MINISTERIAL STATEMENT

ALLOCATION OF MAIZE TO MILLERS

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, I had answered the issues to the best of my ability then, but I am prepared to answer additional questions or clarifications.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir. I am rising on a point of order to seek a ruling from you because of the weight of this matter. The Public Accounts Committee has been receiving evidence from some of the players in the crisis that we are having.

After reflecting on the Ministerial Statement by the Minister, I have found that the Minister misled this House on several points to the extent that it requires that the PAC be given a week so as to contradict factually, the falsehoods that the Minister advanced in this House. The grounds for my so alleging are as follows:-

The Minister purported to lay a list of 3,000 companies when in fact, according to the list, there are less than 600 and these also include companies that are not millers because we know that the earlier list laid on the Table by the Minister comprised less than 100 companies that were genuine millers in the country.

Secondly, the Minister in his statement denied knowledge of maize going to Southern Sudan. None other than the Prime Minister has contradicted him and confirmed that there is maize going to Southern Sudan. The Prime Minister has actually relieved duty some of the workers in his office.

Thirdly, the Minister told the House that he had 1.6 million bags of maize at the Strategic Grain Reserve as at 30th of June. The truth on the ground is that the Minister was deliberately misleading the House because at SGR, we had 2.6 million bags.

Mr. Speaker, Sir, the third reason I am requesting that you give us one week is that the Minister denied the presence of any notes from his Ministry to officials of the National Cereals and Produce Board (NCPD). These were notes which were being used in this scandal to influence connected people to have maize released to them. We have since confirmed that the said notes were there. The Minister was misleading the House. So, I would urge you, at that time, to give us opportunity to table such notes. As evidence, I can actually table one of the notes now, so that the House can take me seriously.

The Minister also denied that there was unprocedural release of maize from NCPB to companies connected to influential people. However, after going through the list, we discovered that some of the companies are actually not millers, but they are connected to individuals, who have connections with the political elite of the country.

Mr. Speaker, Sir, allow me to mention just five companies, so that the House can believe me. We have Waso Millers, which collected 16,503 bags. This company is connected to the Minister. There is Mafuta Farm, which received 100,000 bags. It is connected to a political activist.

*(Mr. Samoei stood up
in his place)*

Mr. Speaker: Yes, Mr. Minister!

Dr. Khalwale: Mr. Speaker, Sir, I am on a point of order. How can you---

Mr. Speaker: Order, Dr. Khalwale! The Chair has discretion to allow interruption, if warranted. So, let us hear the Minister and see what his point of order is.

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, it is very unfortunate that Dr. Khalwale wants to use this august House to peddle falsehoods about my connection to some company called Waso Millers. I want Dr. Khalwale to put the evidence that I, William Samoei Ruto, is involved, in any way, in the damned Waso Millers. Is it in order for Dr. Khalwale to try and derail debate on this particular matter? If he has any evidence on any issue, he should put it on the Table now!

Mr. Namwamba: On a point of Order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, hon. Members! Dr. Khalwale, could you respond to that one and, please, finish with your point of order?

Dr. Khalwale: Mr. Speaker, Sir, it is my pleasure to confirm to the House that Waso Millers, indeed, received 16,503 bags, on different dates.

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

Mr. Speaker: Order! Order! Dr. Khalwale, can you deal with your point of order concisely and precisely? You want this matter deferred. Please, give the Chair reasons as to why you want it deferred.

Dr. Khalwale: Thank you, Mr. Speaker, Sir. I was continuing giving those reasons until I was interrupted. So, I think your ruling is that I conclude giving my reasons before I respond to the Minister's point of order.

Mr. Speaker, Sir, my final reason---

Mr. Namwamba: On a point order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Namwamba?

Mr. Namwamba: Mr. Speaker, Sir, I want to believe that Dr. Khalwale is addressing this House in his capacity as the Chairman of the Public Accounts Committee (PAC). I would want to believe that the information he is submitting to this House has gone through the PAC, has been verified by that Committee and so it is information that this House can rely on. Therefore, I seek your intervention as to whether the hon. Member would be in order to, firstly, submit to this House information that has not been sieved and authenticated by the PAC? If so, I also wish to have your intervention as to whether he would be in order to peddle rumours and falsehoods in the name of the Chair of the PAC and whether, indeed, that would not, in itself, amount to abuse of the Office of the Chair of the PAC.

Therefore, the Chair must intervene at this stage and ask Dr. Khalwale to indicate to this House whether the information being submitted here is authentic information that has been verified by Members of the PAC sitting in this House right now. We are going to call the institutions of this House, including Departmental Committees, into disrepute, if we can use them as fora to peddle rumours, and spew half truths and all sorts of suppositions. If that cannot be verified, Dr. Khalwale must be stopped---

Mr. Speaker: Order! Order, Mr. Namwamba! The point is made!

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

Order! Order, hon. Members!

Hon. Members, it is important that

we stick to the matters in issue. The matter in issue now is that the Chair allowed Dr. Khalwale to stand on a point of order. In that point of order, Dr. Khalwale is requesting that the Chair considers deferring continuation of the Ministerial Statement by the Minister for Agriculture to a date other than today. Can we stick to that and just deal with it quickly.

Be precise and concise on your request, Dr. Khalwale!

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

Mr. Speaker: Dr. Khalwale will be heard! Dr. Khalwale, please, ensure that you stick to the matter in issue.

Dr. Khalwale: Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, I want to tell the House that everything I have said is in the HANSARD. I want to promise the House that I have documents, which will be tabled at the end of the sessions of the PAC.

Mr. Speaker: Order, Dr. Khalwale! What are your reasons for wanting this matter deferred?

Dr. Khalwale: Mr. Speaker, Sir, I have already given you five reasons. The sixth reason is that, in misleading the House, the Minister exposed an apparent cover-up by deliberately retaining the following people at the helm of the NCPB---

Mr. Speaker: Order, Dr. Khalwale! You cannot move to that conclusion! The Minister issued a Ministerial Statement, in which he gave certain information to the House.

If your position is that you desire to be accorded more time to verify that information, then say so, and let us stop there. You are jumping the gun as it were. If you have information, when we get to that point, we shall then deal with your challenge to the information given by the Minister.

Dr. Khalwale: Mr. Speaker, Sir, the seventh reason is that the Minister denied, in his Ministerial Statement - and we have to prove that as PAC - the existence of ghost millers. We have this evidence.

Mr. Speaker, Sir, the Minister denied that maize was released to millers, beyond their capacities. We have documents to prove this. If you allow me, I can read a few of those companies.

Mr. Speaker: Order, Dr. Khalwale! I will not allow you to read any names! You have made your point. You want this matter deferred to a later date. For how long do you want it deferred?

Dr. Khalwale: Mr. Speaker, Sir, thank you for your indulgence. One week would be sufficient for our Committee.

Dr. Kones: On a point of order, Mr. Speaker, Sir. We are talking of a very serious issue, concerning the citizens of this State. I would, therefore, urge that we treat this matter with the seriousness it deserves. I want to state that the position being taken by Dr. Khalwale is personal, and not that of the PAC.

We have started investigation into the matter, but there is nothing to report on yet. We, as a Committee, did agree that we needed more time, because this matter was brought to the Floor of the House by an individual. So, it was not a PAC question. So, I would like to---

Mr. Speaker: Order, Dr. Kones! Are you a Member of the Public Accounts Committee (PAC)?

Dr. Kones: Yes, Mr. Speaker, Sir.

Mr. Speaker: So, it is your contention that Dr. Khalwale, since he said so - and I have not heard him say so, is not talking on behalf of the Committee?

Dr. Kones: That is my contention, Mr. Speaker, Sir.

Mr. Speaker: Very well.

The Assistant Minister for Energy (Mr. Keter): On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Keter?

The Assistant Minister for Energy (Mr. Keter): Thank you, Mr. Speaker, Sir. [The Assistant Minister for Energy]

My point of order is that Dr. Khalwale stood up on a point of order to seek for deferment of this Ministerial Statement.

Mr. Speaker, Sir, you went ahead and mentioned the companies which, I thought, if you checked the HANSARD very well--- This Ministerial Statement was deferred so that hon. Members could confirm the names of the companies. But Dr. Khalwale has gone ahead and mentioned some of the names, associating some of them to hon. Samoei.

I thought, Mr. Speaker, Sir, that we can finish the Ministerial Statement today. Dr. Khalwale, being the Chairman of PAC, will continue with his investigations and report to this House that, when hon. Samoei was issuing the Ministerial Statement, he misled this House by saying "a", "b", "c" and "d".

That is because right now, Mr. Speaker, Sir, I expected you or the House to--- I expected Mr. Samoei to finish the Ministerial Statement. The PAC can continue with its work and report to this Parliament.

Lastly, Mr. Speaker, Sir, I want to seek your clarification. Is it the PAC or the Public Investment Committee (PIC) that should handle this matter? That is because the National Cereals and Produce Board (NCPB)--- I just want to seek that clearance because I served in the last Parliament and I was in the PAC. There is a mandate for the PAC. So, we want the clarification. Is it the duty of PAC or PIC?

Thank you, Mr. Speaker, Sir.

Mrs. Shabesh: On a point of order, Mr. Speaker, Sir. I rise on a point of order to speak on behalf of women parliamentarians on this particular issue.

Mr. Speaker, Sir, is it fair for this House, when we are debating an issue of national importance like now, to have Dr. Khalwale highlight the name of a woman who is respected in this country and whose reputation now stands in the balance?

(Applause)

Is it fair for us to continue leaving her name hanging in the balance without asking Dr. Khalwale to either withdraw, apologise or substantiate?

(Applause)

Mr. Speaker: Order! Order, Mrs. Shabesh! Order! The manner in which you are going about it is un-procedural! You ought to have challenged Dr. Khalwale at the point that he mentioned that name, when the proceedings were alive or at any other time that he does so.

Ms. A. Abdalla: On a point of order, Mr. Speaker, Sir. Mine is a follow up to that point of order by hon. Shabesh. Whereas Dr. Khalwale mentioned the name of a widow of a former colleague, he has repeated the same by mentioning her company. So, we, as women in this House would like Dr. Khalwale to declare his interest on this matter and say whether he has issues with the late Dr. Galgallo so that he can pay him!

(Laughter)

Mr. Mututho: On a point of order, Mr. Speaker, Sir. Under Standing Orders Nos.147 and 148, the PIC and PAC are postmortem Committees. They look at audits from reports, after calling for an audit. The Departmental Committee on Agriculture, Lands and Natural Resources, under Standing Order No.151, is mandated to interrogate, investigate and go to the depth of this matter.

Mr. Speaker, Sir, shall I be in order to seek your guidance and ask the Departmental Committee on Agriculture, Lands and Natural Resources to be allowed about ten days to bring a full

investigative report, so that this matter is authoritatively informed and reported?

Mr. Speaker: Order! Order! Minister!

The Minister for Agriculture (Mr. Samoei): Thank you, Mr. Speaker, Sir. I am in a position to respond to all the issues that have been raised by Dr. Khalwale.

Mr. Speaker, Sir, let me start by---

Mr. Speaker: Mr. Minister, please, do not respond to the various allegations made at this stage. That is because what is an issue now is whether or not we should defer this matter to a later time. But if you want to answer certain allegations in your response on the issue of deferment, you may do so, provided that you remain modest and apply parliamentary language.

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

Mr. Speaker: Order! We will hear the Minister first.

Mr. Namwamba: On a point of order, Mr. Speaker, Sir. It is important.

Mr. Speaker: Order! Order! Order! Mr. Namwamba, you have been heard! You have been heard for seven minutes on this matter! Please, be fair to the House!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, to demonstrate the malice in which Dr. Khalwale is handling this matter, he has, without shame, misled this House that he is conducting investigations on this matter. Dr. Khalwale wrote letters to Permanent Secretaries, including the Permanent Secretary in the Ministry of Special Programmes, asking them to bring the accounts of 2004/2005. How do matters of 2004/2005 capture the essence of these issues that we are discussing in this House?

Mr. Speaker, Sir, just to demonstrate to you that Dr. Khalwale has something up his sleeve, he is directly misleading this House that his Committee has anything to do with this investigation. In fact, the correct Committee that should undertake investigations---

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

Mr. Speaker: Order, hon. Members! Let us hear the Minister. Please, be tolerant!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, the Committee that is seized of this matter is the Departmental Committee on Agriculture, Lands and Natural Resources. We will be willing to appear before them. We will appear before Dr. Khalwale, if the need arises. We will appear before any Committee of this House. But it is erroneous to make allegations here, including, unfortunately, the remarks that have been made by Dr. Khalwale about a Madam Guracha Galgalo, a widow of a former hon. Member of this House alleging that, that woman is a girlfriend of an hon. Member of this House!

Mr. Speaker, Sir, I ask: How would Dr. Khalwale feel if the morality of his wife or one of his many wives was being discussed in this House, in a place where they have no opportunity to answer? Are we not lowering the dignity of this House to levels that Kenyans, looking at us outside there, on matters that touch on very serious matters - Kenyans are dying of hunger - we are trivialising this issue?

Mr. Speaker, Sir, let me state---

Mr. Speaker: Order! Order! Order! Order, hon. Samoei! You must come to the end of your response! You have stood on a point of order. You must come to the end! The Chair directs that you conclude your response on that point of order!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, I beg your indulgence because Dr. Khalwale took a bit of time. Let me just respond to one or two issues that he has raised.

Mr. Speaker: Can you restrict it to two?

The Minister for Agriculture (Mr. Samoei): He claimed that the Prime Minister has said that there is maize that has been exported to Southern Sudan. As the Minister for Agriculture, I discharged

my responsibility by signing the relevant Gazette Notices to ban the export of maize outside Kenya. If some criminal elements went ahead to export maize from Kenya and the Minister for Agriculture is not aware, the security agencies of this country should proceed and charge the persons responsible! If Dr. Khalwale has any information on any of those people who exported maize out of Kenya to Southern Sudan against the law, he would do this country a great favour if he took the information to the police, so that those people could be charged!

Mr. Speaker, Sir, Dr. Khalwale has made claims that I misled the House. If there is any hon. Member of this House, my Ministry or any other Ministries who wrote letters to influence the allocation of maize in NCPB, they should be able to carry their own crosses! That is why we have the Kenya Anti-Corruption Commission (KACC) and the Criminal Investigations Department (CID). Dr. Khalwale would do a lot of favour to this country, if he made that information available to the bodies investigating that particular issue.

Mr. Speaker, Sir, Dr. Khalwale has made claims---

Mr. Speaker: Order, Mr. Minister!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, let me conclude. I am concluding!

Dr. Khalwale has made claims that I misled this House on the list. The list I brought to this House was computer-generated. It had double entries for many companies. One company could have gone to buy maize ten or 15 times in the last one year. We just amalgamated all the purchases of all the companies and that is why they do not even come down to 600, as Dr. Khalwale is alleging. They come to over 400.

Mr. Speaker: Order, Mr. Minister! Are you not going into the Ministerial Statement now?

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, it is good for us to set the record straight, because Dr. Khalwale is being driven by malice because he believes---

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

Mr. Speaker: Order, Mr. Minister! We must come to an end on this.

*(Several hon. Members continued
to stand in their places)*

Order, hon. Members! Taking into account the interest and, indeed, the passions that this matter is generating, I consider, in my opinion, that it would be appropriate to give time for hon. Members to calm down.

We must, therefore, give it time for hon. Members to come to level in terms of their contributions and concerns, and accord those hon. Members, who genuinely require time, to have time to consider the facts so far given by the Minister and, indeed, some of the claims that have been made by Dr. Khalwale. In the Chair's considered view, up to where we are, Dr. Khalwale has not spoken on behalf of the Public Accounts Committee (PAC).

(Applause)

That is the prevailing position, and I will order that this matter be deferred to Wednesday, next week.

*(Messrs. Thuo and Ruto stood
up in their places)*

That matter must rest!

*(Mr. Imanyara stood up
in his place)*

Is it on a different matter?

Mr. Imanyara: Yes, Mr. Speaker, Sir.

Mr. Speaker: Okay!

Mr. Imanyara: On a point of order, Mr. Speaker, Sir. Arising directly out of your ruling, but not contradicting it, bearing in mind the list that was tabled on the Table of the House comes from the Office of the Attorney-General, could his Office bring to this House particulars of ownership and addresses in respect of each one of those companies by next Wednesday?

That is the easiest way of ensuring that the information we are getting in this House is accurate and truthful. Could the Attorney-General, who is the custodian of all those documents and the registrar of all those companies, bring the particulars of ownership and directorship of all those companies that are in the list that was laid on the Table of the House by the Minister by next Wednesday?

Mr. Speaker: Order, hon. Members! Bearing in mind the sentiments expressed in that point of order by Mr. Imanyara, I direct the Minister and, indeed, the Government to come up with all information as is permissible by law and bring it before the House. I emphasize "as is permissible by law", and we will work in accordance with the law. We will stay within the perimeters of the law, even as the Minister comes up with the Ministerial Statement.

*(Dr. Khalwale stood up
in his place)*

Dr. Khalwale, I will allow that point of order subject to your not re-visiting the matter in respect of which I have ruled. If you are going to re-visit that matter, then I am afraid, you will be challenging the Chair, and you have to be prepared to live with the consequences of that challenge. I have made a ruling, which, I believe, should exhaust the matter. Indeed, the ruling has been made in your favour!

*(Dr. Khalwale resumed
his seat)*

The Minister for Information and Communications (Mr. Poghio): On a point of order, Mr. Speaker, Sir. Having listened this afternoon to hon. Members speaking to each other and at each other, I also want to seek the indulgence of the Chair, and your interpretation as to whether we meet the qualities and standards of decorum in the House.

If we do not do that, as the Chair, you should begin to address this House, so that we begin to deal with the issues of decorum, the way that hon. Members address and deal with each other, including differing on the Floor of the House by hon. Members of the same Committee. I would like to seek your indulgence.

*(Mr. Namwamba stood up
in his place)*

Mr. Speaker: What is it, Mr. Namwamba? If you re-visit my ruling, I am afraid, you will be out of order.

Mr. Namwamba: On a point of order, Mr. Speaker, Sir. I have absolutely no intention of

re-visiting your ruling. But arising from the request by Mr. Poghio, I think on that same Wednesday, it will be absolutely essential, in the interests of the integrity of this House, that the Chair gives guidance on the conduct of the various hon. Members who hold positions of responsibility, especially chairmanship of the various Departmental Committees.

I say so because it would considerably erode the integrity and authority of this House for any hon. Member of this august House to use their venerated positions, as chair of any Committee, to engage in little or petty fights.

Mr. Speaker: Stick to Parliamentary language, otherwise, you yourself will lose decorum!

Mr. Namwamba: Most obliged, Mr. Speaker, Sir.

It would be diabolical for the integrity of this House for us to allow a culture, where a chairman of a crucial Committee of this House uses---

Mr. Speaker: Order, Mr. Namwamba! Our Standing Orders, as they are today, have sufficient provisions for the House to deal with an errant chairman of a committee or, indeed, if you wish, a chairman who does not discharge his duties as is expected of him, including coming up with a Motion as may be appropriate. So, I will bear that in mind on Wednesday and we will ensure that we stay within the rules, as I have said earlier.

Mr. Ruto: On a point of order, Mr. Speaker, Sir. In spite of the tempers that appear to be flying all over, and in spite of your ruling that we postpone this matter to next week, I want to believe that, that is in relation to the issues surrounding the list and the question about importation.

But today I thought you would allow the Minister to, at least, say something to Kenyans on whether there will be food on the table, whether we can source maize from local farmers and whether he has any arrangement to hike maize prices, so that local food can be availed. Farmers are waiting to hear from us whether we are---

Mr. Speaker: Order, Mr. Ruto! This matter has been deferred in its entirety, and the Minister will deal with all aspects of the matter, inclusive of the matters that you have enumerated. Hon. Members will be at liberty to seek clarifications on those matters. If it is for the Minister to say something to the nation, he has said something to the nation this afternoon, and he will have an opportunity to say more on Wednesday, next week.

The Assistant Minister for Energy (Mr. Keter): On a point of order, Mr. Speaker, Sir. I am not against your ruling, but I just wanted to know whether on Wednesday, we will expect the Public Accounts Committee (PAC) to also come out with its report or we will be seeking clarification on the same Ministerial Statement. Let it be clear so that we get to know.

Mr. Speaker: This matter has not been referred to the PAC. So, the House will not be expecting any report from the PAC. We will take the matter from there.

Mr. Minister, do you still want to clarify something?

The Minister for Agriculture (Mr. Samoei): Yes, Mr. Speaker, Sir. I think it will be in order, because of the gravity of this matter and the situation in our country, to inform this House and the Kenyan public that, indeed, the Government has taken the necessary steps to ensure that there is adequate food in our country.

The Government has waived duty on maize---

Mr. Speaker: Order, Mr. Minister!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, I am just concluding. Secondly, because this is a serious matter, we had discussion this morning with Cereal Growers Association and a new price has been agreed upon between the Government and farmers. The Government will now buy maize from farmers at a price of Kshs2,300 per 90 kilogramme bag.

(Applause)

Also, millers and any other businessmen are allowed to buy from farmers. To ensure that the

price of flour does not escalate, the Government will absorb, in terms of subsidies, the extra money that will be paid to the farmers, just the same way we are harbouring subsidies for maize that is imported from abroad---

Mr. Speaker: Order! Order, Mr. Minister! I have given you as much indulgence as I could, which ordinarily, I should not. But you said that it is an important message that you must convey to the nation. Indeed, the contents are such that it is important that the nation should know that. But I am afraid that I cannot allow you much more indulgence than I have. If you wish to issue a policy statement on the Ministry, you are at liberty to go public, in appropriate fora elsewhere. You will have to say the rest on Wednesday and be ready to make clarifications as Members will seek.

I am afraid now that there will be no more points of order on this matter. I have ruled on it and we will deal with it again on Wednesday next week.

COMMUNICATION FROM THE CHAIR

PRIORITIZATION OF BUSINESS UNDER AGENDA FOUR FROM NATIONAL RECONCILIATION COMMITTEE

Mr. Speaker: Hon. Members, before we substantively embark on the business anticipated under Order No.7, I have the following Communication to make.

Hon. Members will remember that yesterday, afternoon, I did appeal to the House Business Committee to consider and prioritise business under Agenda IV emanating from the National Dialogue and Reconciliation Committee.

I appreciate the attention accorded to my request by the House Business Committee, culminating in today's Order Paper for a start. However, the Member for Imenti Central, hon. Imanyara, requested the Chair to consider deferring consideration of the Report of the Departmental Committee on Finance, Planning and Trade, on the sale of the Grand Regency Hotel, until such time that I will give a ruling on the matters raised by the Member for Ikolomani, hon. Dr. Khalwale. I have carefully reflected on this matter and wish to state as follows:

The role and mandate of Departmental Committees, among other things, is to assist the House make informed decisions by providing researched and analysed findings on matters referred to them. In accordance with the Standing Orders, the Departmental Committees, investigate, inquire into and report on matters relating to the mandate, management, activities and operation of the various Ministries and departments under their charge.

The matter of the sale of the Grand Regency Hotel was referred to the Departmental Committee on Finance, Planning and Trade on the premises that the Treasury and Central Bank of Kenya (CBK) held the hotel in trust on behalf of the Kenyan public.

The Committee conducted its hearings between 7th May, 2008 and 31st July, 2008 and held 25 sittings. The Report and findings of the Committee were tabled on 21st October, 2008 and a Notice of Motion for consideration thereof given thereafter by the Chairman. The Motion is listed on today's Order Paper as Order No.7.

It is in the public domain that the Executive contemporaneously, as Parliament did, appointed a Commission of Inquiry pursuant to the Commissions of Inquiry Act, Chapter 102 of the laws of Kenya, to investigate into the circumstances surrounding the sale of the said hotel. The Commission, I am informed, completed its investigations and submitted its Report to the appointing authority. The Chair is not privy to the findings of the aforesaid Commission of Inquiry.

Hon. Members, the primary duty and responsibility of the Chair is to facilitate an efficient, effective and impartial, yet, lawful manner, the proceedings of this House in accordance with the

obtaining rules of procedure practice and tradition.

Directions of the Chair, important as they are, need not rank ahead of business that the House has been seized of since 7th May, 2008, well over eight months ago. The Chair's direction, as sought by hon. Dr. Khalwale, cannot, in my considered opinion, have an effect one way or the other, on how the House deals with and disposes of a report already tabled.

In view of the larger public interest that has been generated by this matter and the need to conclude it, I, therefore, consider it proper and prudent that the House debates this Report expeditiously without prejudice to my ruling on the issue raised by hon. Dr. Khalwale, which I will make as programmed.

Thank you.

(Applause)

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Prof. Kamar) took the Chair]*

MOTION

ADOPTION OF REPORT ON SALE OF GRAND REGENCY HOTEL

Mr. Okemo: Madam Temporary Deputy Speaker, I beg to move the following Motion:-
THAT, this House adopts the Report of the Departmental Committee on Finance, Planning and Trade on the sale of Grand Regency Hotel, laid on the Table of the House on Tuesday, October 21, 2008.

Madam Temporary Deputy Speaker, the Committee on Finance, Planning and Trade is one of the Departmental Committees established under Standing Order No.151(4) part of which functions are *inter alia* to investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary and as may be referred to them by the House.

Madam Temporary Deputy Speaker, the Committee membership comprises of:-

The hon. Mr. C. Okemo, MP - Chairman

The hon. Prof. Kaloki, MP

The hon. Mr. J. Midiwo, MP

The hon. M. Kombo, MP

The hon. L. Chepkitony, MP

The hon. A. Bahari, MP

The hon. Mr. L. Kivuti, MP

The hon. Mr.N. Gaichuhie, MP

The hon. N. M'Mithiaru, MP

The hon. S. Shakeel, MP

The hon. N. ole Lankas, MP

Madam Temporary Deputy Speaker, before I proceed, I would like to thank all Members of this Committee for the good work and the effort they have put together in this Report.

Madam Temporary Deputy Speaker, I would like to mention that on the 7th August, 2008, we unsuccessfully attempted to lay the Report of the Committee on the Table of the House.

Madam Temporary Deputy Speaker, the then Chair disallowed the laying of the Report on the premise that it was not compliant with the rules and procedures of the House. The Committee was not

satisfied with that ruling and went ahead to appeal to the Speaker for direction. This led to a well considered and authoritative ruling by Mr. Speaker on 9th October, 2008.

Mr. Shakeel: On a point of order, Madam Temporary Deputy Speaker. There is a major fire going on right now. A number of Kenyans have been hurt and some killed. Many people are right now very worried about the state of affairs and how much the fire is extending---

The Temporary Deputy Speaker (Prof. Kamar): Mr. Shakeel, we have received that information.

Mr. Shakeel: Could the House consider adjourning for the day so that we can attend to the problems that wananchi are facing right now?

(Applause)

The Temporary Deputy Speaker (Prof. Kamar): Mr. Shakeel, we have heard about this and the Speaker is going to investigate it more now that he is out of the House.

Mr. Okemo, please, proceed!

Mr. Okemo: Madam Temporary Deputy Speaker, following the ruling by the Speaker on the matter, we were subsequently able to lay the Report on the Table on 21st October, 2008.

Madam Temporary Deputy Speaker, I would like, therefore, on behalf of the Committee pursuant to the provisions of Standing Order No.162, to present to the House the Committee's Report on the sale of Grand Regency Hotel.

Madam Temporary Deputy Speaker, I would like to talk about the background very briefly. On the 23rd April, 2008, Mr. Gitobu Imanyara, MP, sort a Ministerial Statement from the then Minister for Finance regarding the Grand Regency Hotel. The Minister for Finance issued the Ministerial Statement on the 29th April, 2008. In his Statement, the Minister stated the following:-

(i) That the Central Bank of Kenya (CBK) had created a legal charge in 1993 for Kshs2.5 billion over the Grand Regency Hotel in an attempt to secure funds that had been illegally siphoned through the Exchange Bank through the infamous Goldenberg saga.

(ii) That the registered owner of the hotel and chargee was Uhuru Highway Development Ltd. and the validity of the charge and ownership of the Hotel had been the subject of protracted litigation for the past 15 years both in the High Court and Court of Appeal. One of the cases is High Court case No.1111 of 2003 between the Kenya Anti-Corruption Commission (KACC) and Kamlesh Pattni and 16 others.

(iii) Following extensive consultations, the advocates for KACC and Uhuru Highway Development recorded a consent order in court on the 9th April, 2008, for the removal of the joint receiver managers over the Grand Regency Hotel and the handing over of the hotel to CBK.

(iv) After taking possession of the hotel, the CBK appointed the firm of Ernst & Young as receiver managers for the hotel since the mandate of CBK does not extend to the running of any commercial ventures.

(v) Since the receivership is a very costly exercise, it was therefore, necessary for the hotel to be sold. The Minister argued that the CBK had a duly registered charge over the hotel and that the CBK would, therefore, be selling the hotel under the statutory power of sale.

The Minister broadly stated that the modalities of sale in such circumstances are provided for under the relevant law.

Finally, the Minister reported that he would consult and guide the CBK in the sale process in order to ensure that the sale is conducted in the most expeditious and cost-effective manner.

Madam Temporary Deputy Speaker, this was the substance of the Ministerial Statement made on 29th April by the then Minister for Finance.

Madam Temporary Deputy Speaker, the Committee, while taking cognisance of the contents of the Ministerial Statement, sought further clarification on the matter and resolved to invite the

following to appear before it to shed more light on the matter:-

The hon. A. Kimunya, MP---

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): On a point of order, Madam Temporary Deputy Speaker. We have all read this Report. We know what happened. Therefore, what we are interested in is---

The Temporary Deputy Speaker (Prof. Kamar): What is your point of order?

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Madam Temporary Deputy Speaker, we have read the Report and the Mover does not have to go through it. He should just come to the conclusion. We want to vote on this Report and reject it.

The Temporary Deputy Speaker (Prof. Kamar): That is not a point of order, Mr. Githae!

Mr. Okemo, please, proceed!

Mr. Okemo: Madam Temporary Deputy Speaker, I will continue. I think the intention is to derail me from my trend of thought. However, that will not succeed as I am used to it.

Madam Temporary Deputy Speaker, the Committee having taken cognisance of the various points raised by the Minister went ahead to call the following witnesses:-

- | | |
|--|--------------------------|
| 1. Hon. Mr. A. Kimunya, MP - Then | the Minister for Finance |
| 2. Mr. J. Kinyua- Permanent Secretary, | Ministry of Finance |
| 3. Prof. N. Ndung'u- Governor, CBK | |
| 4. Mrs. J. Mwatela- Deputy Governor, | CBK |
| 5. Hon. A. Wako - Attorney-General | |
| 6. (Rtd) Justice H. Ringera- Director, | KACC |
| 7. The receiver managers | |
| 8. The Minister for Lands | |
| 9. Major-Gen. M. Gichangi-Director, | NSIS |
| 10. Ernst and Young | |
| 11. Mr. Wetangula, Adan and Company | Advocates |
| 12. Ahmed Adan | |
| 13. M. Mubea | |
| 14. Hon. M. Wetangula -Minister for | Foreign Affairs |

Madam Temporary Deputy Speaker, I will go on to read the evidence of some of the key witnesses just to refresh the memories of the hon. Members. The Minister for Finance, Mr. Amos Kimunya, accompanied by Mr. Joseph Kinyua, the Permanent Treasury and Prof. Njuguna Ndung'u, Governor of Central Bank of Kenya (CBK), appeared before the Committee on Wednesday, 21st May, 2008. They gave evidence on the status of the Grand Regency Hotel as follows:-

The Minister informed the Committee that due to the sensitivity of the issues surrounding the hotel, the information given to the Committee would be limited. The Minister clarified that CBK was not solving the Goldenberg scam, but was trying to solve the civil case on the basis of the---

The Minister for Environment and Mineral Resources (Mr. Michuki): On a point of order, Madam Temporary Deputy Speaker. On a matter such as this one, is it in order that the evidence of the Minister, or for that matter any other person who hon. Okemo is quoting is not put in the context of his own words other than a quotation of the speech laid, given that the Committee has verbatim recording systems? Is it in order?

Mr. Midiwo: On a point of order, Madam Temporary Deputy Speaker. I sense that there is an attempt to derail this debate. What the Chairman is doing--- This is a condensed version of the HANSARD. We realised that the Minister had lied to this Committee and so we put evidence on the HANSARD.

The Temporary Deputy Speaker (Prof. Kamar): What is your point of order?

Mr. Midiwo: Madam Temporary Deputy Speaker, my point of order is that you need to

guide this debate so that the Chairman of the Departmental Committee can put the evidence out there so that we can debate this issue in a civilised manner.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Midiwo, I gave you a chance to raise a point of order after Minister Michuki had just raised his. I ought to have cleared with his point of order first. You have now diverted it.

The Minister for Trade (Mr. Kimunya): On a point of order, Madam Temporary Deputy Speaker.

The Temporary Deputy Speaker (Prof. Kamar): Let us sort out the first point of order. This is a report by a Departmental Committee. The Chairman of the Departmental Committee is reading the Report on behalf of the Committee. Unless there is any reason to believe otherwise, we will allow the Chairman to give the Report as it is.

Hon. Members, this is a very serious Report. An hon. Member stepped aside to allow the House to investigate the matter. Let us receive the Report and then we shall give our comments later.

Mr. Michuki, are you still against the Report?

The Minister for Environment and Mineral Resources (Mr. Michuki): Not against, Madam Temporary Deputy Speaker. I am trying to get facts of this case because I think this is an honourable House. We must deal with facts. You have heard here, although presented in an unparliamentary manner, somebody say that already they were told untruths.

Hon. Members: Lies!

The Temporary Deputy Speaker (Prof. Kamar): Hon. Minister---

The Minister for Environment and Mineral Resources (Mr. Michuki): Madam Temporary Deputy Speaker, in fact, I am avoiding to repeat a mistake which has been made. What I am saying is that in a matter that involves the character of an hon. Member, if he is being quoted, then it should not be in the form of summary or the understanding of the speaker. It must be a quotation of what he said so that we can decide whether, indeed, he said it or not.

The Temporary Deputy Speaker (Prof. Kamar): I am about to ask which Standing Order you are using. I want us to obey the rules of debate. That will make it easy for all of us. This is a very important item. If there is anything the Chairman of the Departmental Committee has deviated from at this point when he is reading the Report--- You will have an opportunity to debate it. We are going to open this matter to debate very soon. What he is giving us is what they gathered. If you can get that fact, then you will wait for your opportunity to give us your opinion.

Mr. Namwamba: On a point of order, Madam Temporary Deputy Speaker. This House has been seized of that Report for a while because it was laid on the Table of the House. I want to imagine that it is now the property of the House. Therefore, would I be in order to plead with the Chair to protect the Chairman of the Departmental Committee so that he can finalise the submission of this Report? This is because he is not moving this Report in his personal capacity, rather he is doing so in his capacity as the head of a Departmental Committee. I want to plead with the Chair to protect the Chairman so that he can finish that submission. We need to debate and bring this critical matter to conclusion.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, I believe that the import of what Mr. Michuki said needs to be reflected upon what Mr. Midiwo talked about. We are talking about an issue of who said what and where.

What the Chairman of the Departmental Committee is doing is quoting what I said. However, we need to be clear. Is it the interpretation of the Committee as to what I said or is it what I actually said? If that becomes a matter of contention, what will the hon. Members then have to look at to establish who is telling the truth and who is being economical with the truth?

If you look at the same Report from page 20 onwards, there are verbatim quotations of what various witnesses said on the HANSARD. However, on this particular issue, it is the interpretation of the Committee of what they think the witnesses said when they appeared before the Committee.

Unless there is a HANSARD recording produced, then it becomes very difficult to respond to this because it is the Committee *versus* who said what and where. We need to get that clear so that we know whether we are talking of the Committee's interpretation of what the witnesses said or what they actually said as captured in the HANSARD.

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, the job of a Select Committee is to receive evidence. If you look at Standing Order No.160(5), it states thus:-

"The deliberations of a select Committee shall be confined to the matter referred to it by the House and any extensions or limitation thereof directed by the House and, in the case of a Select Committee---"

Mr. Okemo: Madam Temporary Deputy Speaker, I do not think there is any Standing Order that requires that proceedings of the Select Committee must be recorded verbatim. If there is one, I would like it to be quoted. What I know is that the proceedings of the Public Accounts Committee (PAC) must be recorded verbatim. I do not think that the proceedings of any other Select Committee must be recorded.

The only reason why we subsequently started recording was because of the conflicting statements that Mr. Kimunya was making here and out there in the public. All that led us to say that the only way to get him to tell us exactly what it is, is on record. Otherwise, for the first and second meetings, we were taking minutes of what he was telling us in accordance with the Standing Orders that govern us.

The Temporary Deputy Speaker (Prof. Kamar): What I wanted to refer to is Standing Order No.162 (2) which says:-

"A report of a select committee, together with the minutes of the proceedings of the committee, and with such note or record of any evidence by the committee as the committee may deem fit, shall be laid on the Table of the House by the Chairman of the select committee or by some other Member authorised by the committee in that behalf".

What the Chairman of the Committee has done, and I think that is the contention that is coming out, is on the issue of recording. The Standing Order does not say that you must have the record. It is either notes and minutes. Sometimes, the investigations of the Committee could be out there. So, actually the Chairman of the Committee is right to refer to any evidence that has been received by the Committee.

I also want to say that when the Chair of a Committee makes any reference to the conclusions of the Committee--- I think it is the expectation of this House that when we give an assignment to a Committee, it is up to us, as a House, to actually give what we think is for or against.

I think we should allow the Chairman of the Committee to present the Report the way it is. Why do we debate a report if we think what the Committee thought is very correct? Why do we have to vote on it? We vote on it because whatever the Committee has said, once it is owned by the House, is debatable. We have the right to decide either way, even on the very report.

So, Chairman of the Committee, please, continue!

Mr. Okemo: I do not know why hon. Kimunya is agitated because he will have a chance during the debate to actually present contrary views if he thinks that what we have reported is inaccurate. So, at this point in time, it is unhelpful to be obstructive to me to present the report. So, could they, please, hold their peace so that I can continue?

I think I had gotten to the point whereby, I had reported on the third issue that the Minister had presented to the Committee. The Minister clarified that there was no connection between the repossession and disposal of Grand Regency Hotel, and the issue of granting amnesty to Mr. Kamlesh Pattni, since the criminal cases were between Kenya Anti-Corruption Commission (KACC) and the Attorney-General.

The Minister stated that he was not aware of any Libyan company by the name

Meridian-Arab-African Investment Company that was purported to have bought the Grand Regency Hotel. The Minister informed the Committee that the Hotel did not make any profit from 1999 to date.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Githae, if it has to do with the contents of the Report that is being laid, please, I put that to rest. Could we receive the Report first? We will have an opportunity to debate it?

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Madam Temporary Deputy Speaker, Sir, I am actually Standing under Standing Order No.65 which says--- I will read it for the benefit of hon. Members. It reads:-

" No Member shall read his speech but he may read short extracts from written and printed papers in support of his argument and may refresh his memory by reference to notes--"

What the hon. Member is doing is reading the Report verbatim. Suppose that Report is 5,000 pages, we will be here for three months. So, what I am saying is that, under that Standing Order, he should refer to his notes and the Report. But he should not read verbatim. That is what the Standing Order says.

Mr. Okemo: Madam Temporary Deputy Speaker, I am referring to the Report. The method of referring to a report is not uniform for all Members of Parliament.

Ms. Odhiambo: On a point of order, Madam Temporary Deputy Speaker.

The Temporary Deputy Speaker (Prof. Kamar): What is your point of order, Ms. Odhiambo?

Ms. Odhiambo: Madam Temporary Deputy Speaker, thank you for giving me this opportunity. Could you, please, protect the Chairman when he is presenting this Report?

The Temporary Deputy Speaker (Prof. Kamar): Hon. Odhiambo, you have stood on a point of order when I have already protected him and told him to continue.

Could you continue, Mr. Chairman!

Ms. Odhiambo: Madam Temporary Deputy Speaker, would I be in order to request the Chair to protect the Chairman because there are too many interruptions on this Report. There is an attempt to derail the presentation of this Report!

The Temporary Deputy Speaker (Prof. Kamar): Hon. Odhiambo, I said that I had already protected him before you spoke.

Hon. Okemo, could you, please, continue!

Mr. Okemo: Madam Temporary Deputy Speaker, I hope I can now continue expeditiously with no interruptions. This is not helping my presentation.

I do not know whether it is deliberate or it is an idea to get me off-track. But it is very difficult to do that to me because I am on track all the time; 24 hours.

The Minister informed the Committee that the hotel did not make any profit between 1999 to date - well, to May, 2008. He further informed the Committee that the Central Bank of Kenya did not receive any money between 1999 to 2004.

The Minister assured the Committee that the hotel had not been sold and that the Treasury and Central Bank of Kenya were in consultations with the Procurement Authority and the disposal would be done in accordance with the law. He stated that all the valuations carried out on the hotel were lower than Kshs2.5 billion. Notwithstanding the reserve price of Kshs2.5 billion, the Minister stated that they would try to sell it for at least Kshs2.9 billion.

Madam Temporary Deputy Speaker, on the second meeting when hon. Amos Kimunya, MP came - he was not a Minister at the time - he appeared before us for a second time. On that occasion, he gave us the following evidence. He said, as the Minister for Finance, his role was to be the link between Parliament and the public in terms of transmitting the information conveyed to him by the

Central Bank of Kenya regarding the Grand Regency Hotel. Even when the Ministerial Statement was sought in Parliament, hon. Kimunya contended that he sought information from the Central Bank of Kenya as responded to on 29th April. He is quoted there. Since hon. Githae says that I should not read, I will not read. He can read it.

Hon. Amos Kimunya continued to say in one of the meetings that he requested the then Acting Governor of Central Bank of Kenya, Mrs. Jacinta Mwatela, to update him on the status of Grand Regency Hotel, and he received a brief on the same. On March 7th, 2007, the Permanent Secretary, Treasury, wrote to KACC requesting for the fast-tracking of the hotel receivership issue.

Madam Temporary Deputy Speaker, what I am trying to do here is to bring out the fact that, there was a relationship between the decisions of the Minister for Finance and what was happening at the Central Bank of Kenya. In one case, they were asking for an up to date report.

The Minister then appeared before this House and assured us that he was going to direct and consult to ensure that the process was done. That obviously means direct involvement. He also clarified that he informed the House, while issuing a Ministerial Statement, that the Hotel had not been sold to Meridian-Arab-African Investment Company and not that the hotel had not been sold.

There is a quotation of what he said and hon. Members are free to read. He further clarified that he did not mislead the Committee when he appeared before it on 21st May, stating that the Hotel had not been sold. The reason he gave was that negotiations were going on by then and the sale could not be deemed to take place when the actual transfer had been registered.

Madam Temporary Deputy Speaker, when you enter into a sale agreement and you receive a deposit, the sale has began. Therefore, that material fact, we are saying, should have been made known to the Committee at the time that the Minister gave us the information. That was deliberately excluded. He confirmed that he was uncomfortable---

The Minister for Trade (Mr. Kimunya): On a point of order, Madam Temporary Deputy Speaker. As much as I would not want to interrupt the Chairman as he makes his presentation, I believe that it is only fair that he presents the facts as they are. This House has defined what a sale is through an Act of Parliament and it would be unfair for the Chairman to bring a different interpretation to this House.

The Temporary Deputy Speaker (Prof. Kamar): Order, Mr. Kimunya! We have not reached the stage of debate. The Chairman, of the Committee is moving the Motion. Please, allow the Motion to be moved. The Report has already been written and I do not think he is reading anything other than what he has given us. That is the only reason why I thought Mr. Githae was right when he said that he should be brief because we have received the Report.

So, Mr. Chairman, if you can give a summary as you move the Motion; let us have a Seconder and then we propose the Question and then go into debate. At that stage, Mr. Kimunya, will have an opportunity to crush everything that you do not like in the Report. All other hon. Members will also have an opportunity to do what they must do with the Report. That is why we debate reports. We debate them so that we accept or reject them. So, we are here for that purpose.

Let us allow the Chairman to finish moving the Motion; let us have a Seconder, I propose it and you will be free to debate it.

Mr. Okemo: Madam Temporary Deputy Speaker, with a matter as important as this one, which has received a lot of public attention, and which this House has expressed a lot of concern about in the past, I think it would be unfair for me to be hurried by anybody here, that I must give a summary for purposes of voting, so that if people want to vote it out or in--- I think the public should know. This House has a very important oversight role. So, I would like to be given the opportunity to give the Report in the form I have planned; I should not be forced to summarize it.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Chairman, can you move a little bit faster, please?

Mr. Okemo: Madam Temporary Speaker, Sir, if I did not have all these interruptions, I would

have gone almost to the end, but we have had a lot of unnecessary interruptions.

Madam Temporary Deputy Speaker, I will go on and give the evidence of the Governor of the Central Bank of Kenya. The Governor of the CBK appeared before us on 28th July, 2008 and this was his evidence. The CBK had lost about Kshs8 billion as unsecured money to Goldenberg but had only secured Kshs2.5 billion. He prepared a brief on the Grand Regency Hotel for the Minister for Finance to submit to the Committee during the meeting held on 21st May, 2008, because the Minister for Finance was the leader of the team. However, the Minister did not pass on that brief to the Committee, yet it was meant for it because it was summarizing all the issues and events that had taken place.

He confirmed having received a copy of the letter from the Committee requesting both the Treasury and the CBK to put on hold all transactions on the Hotel. However, he never got any response from the Minister, and the Minister went on to respond to the letter from the Committee without copying the same to him. He informed the Committee that the CBK was given a memorandum of understanding by the Libyan High Commission and that, that was how the CBK started engaging the Libyan investor. I will quickly go on to the observations of the Committee, because the evidence is in the Report.

Madam Temporary Deputy Speaker, this is our observations as a Committee on the evidence as contained in the Report. One, from the evidence from the then Minister for Finance, Mr. Kimunya, the Committee observed with concern that the former Minister withheld material facts and gave false information when he appeared before the Committee on Wednesday 21st May, 2008 to the effect that the Grand Regency Hotel had not been sold, whereas evidence adduced before the Committee later indicated that a deposit of US\$4.5 million by the purchaser's lawyer Wetangula Adan Makokha Advocates on 8th May, 2008, and the money received had actually been deposited into the CBK's Federal Reserves Account in New York. Secondly, there was a sale agreement which had been signed with regard to the hotel before he appeared before the Committee. Giving false information to a Committee of Parliament is in contravention of Section 21 of the National Assembly Powers and Privileges Act, Cap.6 of the Laws of Kenya, which states as follows:-

"Any person who before the Assembly or any Committee, intentionally gives a false answer to any question material to the subject of inquiry, which may be put before him during the course of any examination, shall be guilty of an offence under Section 108 of the Penal Code and liable to the penalty prescribed by the appropriate Section for that offence."

Madam Temporary Deputy Speaker, had Mr. Kimunya been more open and transparent when he appeared before the Committee, the entire controversy surrounding the surrender and transfer of the Grand Regency Hotel, may have been avoided. Mr. Kimunya did not act in the best interests of the Kenyan public, when he withheld pertinent information from a Committee of Parliament.

The Committee further observed with concern that it wrote to the former Minister for Finance, through the Clerk of the National Assembly, on 29th May, 2008 instructing both the Minister and the Governor to put on hold all transactions related to the sale of the hotel until the Committee concluded its investigation into the matter.

The former Minister for Finance responded with a letter dated 29th May, 2008 that he was not comfortable with the Committee's position, and requested an urgent meeting with the Committee, but failed to show up for the meeting which he had scheduled himself for Friday, 6th June, 2008.

The Committee also observed that although the Minister admitted having received a letter from the Committee through the Clerk of the National Assembly asking him to put on hold all the transactions related to the sale, he took no action. Mr. Kimunya acted in bad faith, and with impunity, when he failed to comply with the Committee's instructions to stop all further transactions in connection with the sale of the Grand Regency Hotel.

The Committee also observed that the former Minister for Finance deliberately withheld written confidential brief on the Grand Regency Hotel, which was submitted through him by the

Governor of CBK. The Committee observed that the Minister portrayed himself being a mere messenger, who was not in the centre of the sale process, yet he gave an undertaking to Parliament in his Ministerial Statement in which he stated, and I quote:-

"Mr. Speaker, Sir, as a Government, we will take very keen interest in the sale. Therefore, I will consult and guide the CBK in the sale process in order to ensure that the sale is conducted in an expeditious and cost-effective manner."

That statement is in the HANSARD and can be found.

Madam Temporary Deputy Speaker, in terms of the evidence of the Governor of the CBK, which is in the report, our observation is as follows: The Governor of the CBK, being aware that the sale process was underway and that the CBK had received a deposit, never revealed the same to us when he appeared before us.

Madam Temporary Deputy Speaker, in his brief on the Grand Regency Hotel matter to the Committee, through the then Minister for Finance, the Governor omitted information on the deposit and the sale agreement.

Madam Temporary Deputy Speaker, Sir, the Central Bank of Kenya (CBK) Board recommended that the CBK Governor should liaise with the office of the Attorney-General, the Kenya Anti-Corruption Commission (KACC) and Treasury. The CBK Governor consulted KACC because it was the most relevant institution, in their opinion, but completely refused to consult the Attorney-General who we feel ought to have been consulted as the chief legal adviser to the Government.

The CBK Board recommended to the Governor to source for buyers for the hotel. However, it appears from the evidence that the Governor only engaged one buyer namely, the Meridian Arab African Investment Company Kenya Limited.

The CBK had two options for disposing of the hotel. One, was through the High Court consent order of 9th April and, thereafter, selling the hotel pursuant to the Privatisation Act and the provisions of the Public Procurement and Disposal Act.

The other was, of course, by exercise of the statutory powers of sale. But the CBK decided to sell by statutory power and under the circumstances, even then, that was supposed to be subjected to competitive bidding even under the statutory power of sale. However, they only decided to deal with one person and that was the Meridian Arab African Investment Company Limited.

Madam Temporary Deputy Speaker, the Committee also noted that whereas the charge in favour of CBK over the Grand Regency Hotel property provided for interest to be charged, the element of interest does not appear to have been considered when CBK was exercising its statutory power of sale.

I will quickly now go onto the legal issues. I will leave the other observations because there were many other witnesses that gave evidence and I do not want to read all that. There were certain legal issues that the Committee noted. The first issue was that, should the CBK have proceeded to sell the hotel by way of exercise of its statutory power of sale or should it have first transferred the hotel to itself and thereafter dispose of the hotel in accordance with the provisions of the Procurement Act? The Committee observed that by way of transferring the hotel to itself first and thereafter disposing of the same, that would have given transparency to the transaction and I think it would probably have led to higher proceeds for the Government and for the people of Kenya.

Through the statutory power of sale, the property was registered under the Registration of Titles Act, Cap.281. The CBK had the option of either selling the property by private treaty or by public auction. If it had been a property registered under the Register Land Act, then the CBK would have been obligated to proceed by way of public auction. The CBK, by electing to proceed by way of private sale and not subjecting the transaction to competitive bidding, did not act transparently.

Madam Temporary Deputy Speaker, the second issue is that having decided to sell the hotel by way of exercise of statutory power of sale, should the hotel have been sold by way of private treaty

through the sale of public auction or by competitive bidding, I have already commented on that?

The third issue is whether any person committed any criminal offences or any other wrongdoing. The Committee observed that hon. Kimunya gave false information when he appeared. This is in contravention, as I have already said. In addition to that, he acted in bad faith and impunity by failing to comply with the Committee's instruction to stop all further transactions in connection with the sale of the hotel after many issues had been raised.

Madam Temporary Deputy Speaker, I will now go onto the Committee's recommendations. The Committee recommends that hon. Amos Kimunya be severely reprimanded and the question of his breach of Section 21 of the National Assembly Powers and Privileges Act be referred to the House Powers and Privileges Committee for action. Two, the Committee recommends to the appointing authority - this is the President - that he be advised that the conduct of hon. Amos Kimunya is not compatible with that of a Minister.

On the Governor of the CBK, the Committee recommends that he be reprimanded. The Committee further recommends that the CBK moves swiftly to take control of all the money that was in the Grand Regency Hotel. I think that is now water under the bridge. I do not know whether they have done that because there was Kshs342 million at the time the hotel was being transferred and that money has never been accounted for. I am sure that we will have to demand that it be accounted for.

The Committee recommends that in the matter of business, the Attorney-General must be involved. All Government agencies particularly the CBK and KACC and the Attorney-General should work closely together. The Committee recommends that the Attorney-General's office should, in future, proactively get involved when regional matters of public interest are brought to his attention.

Madam Temporary Deputy Speaker, as far as Goldenberg-related cases are concerned, the Committee recommends that the Attorney-General speedily reviews and concludes all Goldenberg-related cases.

The Temporary Deputy Speaker (Prof. Kamar): Order, hon. Okemo! Because you are referring back and forth, please cease telling us the same because we want to be clear that you are sticking to the Report. Please refer to the pages so that Members can follow you.

Mr. Okemo: Okay, Madam Temporary Deputy Speaker. However, I am now coming to the conclusion. I am on page 60 but now I am moving on very quickly to page 61.

The Committee noted that it was in the best interest of this country to encourage foreign investment as a way of stimulating economic growth and creating employment for Kenyans. In this regard, the Committee noted that the Libyans have shown interest in investing in various sectors of the economy.

This is commendable and should be encouraged. However, the Committee observed that all transactions whether by foreign or local investors, whether it is government to government, must be done in accordance with the law and in a transparent manner. The Committee therefore recommended that the Government continues encouraging foreign investments but to do so in a manner that is transparent and within the law, to avoid a situation such as the one pertaining to the Grand Regency Hotel in which foreign investors may be discouraged.

Madam Temporary Deputy Speaker, the Committee further recommends that noting that there was inadequate co-ordination and communication between the various Government organs regarding transactions involving the Grand Regency Hotel, that in future, all Government bodies should communicate and co-ordinate with each other to ensure proper functioning of the Government.

In conclusion, the Committee recommends that the House adopts this Report on the Grand Regency Hotel and I will ask Prof. Kaloki to second.

I beg to move.

Prof. Kaloki: Thank you, Madam Temporary Deputy Speaker, for this opportunity to second the Motion. I would like to thank the Committee for the good work that they did. They were able to investigate this particular matter on the Grand Regency Hotel. I would also like to thank all the

parliamentary staff especially our secretariat that really did an excellent job in putting the Report together and also our legal department that also assisted in putting the Report together.

Madam Temporary Deputy Speaker, I would also like to point out that in support of this Motion pertaining to what the Chairman was able to say that, indeed, the Governor of the CBK had the brief and was able to brief the Board of the CBK--- He was also able to brief the Minister who was then hon. Amos Kimunya on the progress of the hotel. The Board of Directors of the CBK mandated the CBK to look for a buyer to be able to transact that particular sale and really the Board was kept in the know. They were able to meet and get briefings as the proceedings of the Committee were taking place.

Madam Temporary Deputy Speaker, according to the sale of the hotel, the CBK had two options: One option was to sell the hotel by private treaty. That meant they could go out and look for an interested party to sell the hotel to or they could choose the option of going to the public and auction the hotel through the Public Procurement and Disposal Act. They chose to use the option by private treaty. That one was also supported by the Director-General of Public Procurement and Oversight Authority. He came and supported that particular position whereby the CBK had two options to chose from.

Madam Temporary Deputy Speaker, I would also like to share here that Kshs4.5 million was received on May 8th, 2008. This was confirmed by the then CBK Deputy Governor, Mrs. Mwatela. On July, 9th 2008, a further payment of US\$40.5 million was also received making a total of US\$45 million that was deposited with the CBK account in the Federal Reserve Bank of New York.

We had ample time to investigate this matter and we found that there were some loopholes which we recommended to be ironed out; that is, the Companies Act. We found out that anybody could register any company and nobody would ask for proof of identity. That is one area that we recommended highly that proof of identity be required when somebody is registering any company here in Kenya. We also felt that we should encourage foreign direct investment to come to our country in order for the country to grow. I am here to support this particular Motion and I rise to second it.

Thank you, Madam Temporary Deputy Speaker.

(Question proposed)

The Temporary Deputy Speaker (Prof. Kamar): Mr. Kimunya, I hope you are making a conscious decision because the rule of debate is that you only contribute once. So, if you want to contribute now, I will allow you to do so.

The Minister for Trade (Mr. Kimunya): Thank you, Madam Temporary Deputy Speaker, for the opportunity to contribute to the Motion. I think it is important that I contribute at this point so that I can correct some of the inaccuracies that may have been brought in to guide the hon. Members in the debate.

I rise, first of all, recognising that the Committee has done a lot of work on this matter. I rise conscious of the public interest that this matter has generated. I am not rising here to defend myself. I rise here to defend the integrity of this House and respect for due process and the need to end the culture of potential misuse of public institutions to settle political scores.

This matter has more of a political dimension than a legal one. I can appreciate the dilemma that the Committee had as it looked through the issues that came from all angles; political, legal and even almost playing to the public gallery at some point.

Madam Temporary Deputy Speaker, I do not intend to go through the controversy of the Grand Regency Hotel. It has been in the public domain for the last 15 years. The statement that I made in this House on 29th April captured the synopsis of the transactions up to the time when the management of the hotel was reverted to the CBK in April, 2008, that paved way for the disposal of the hotel. At that point, I came to this House as the Minister for Finance and gave the options that

were available for the disposal of the hotel. One of them was the disposal through private treaty. I am very glad that on the last line on Page 55 of the Report states:-

"The CBK election to proceed by way of private treaty was therefore, legal."

That is what the Committee observed and concluded. So, we were basically starting from the same page in terms of the choice of method. The question then must be: If the sale was not doubted by the Committee, what are we investigating? The Committee concluded that the sale was legal.

The Committee has not adduced any evidence here that shows there was any corruption. The Committee has not said there was any wrongdoing by anyone except now in trying to justify what had happened to myself in this House, we now move away from the sale of the hotel to looking at the characters of the people. This is where I depart with the Committee.

Madam Temporary Deputy Speaker, this Committee was set up to tell the Kenyan people and the public whether the sale of the hotel was legal or not.

There were allegations that there was corruption involved. This Committee was to come and tell us whether they found any corruption. This Committee was to come and tell us after looking through all the people who were involved, how many were culpable in the sale of the hotel. But what do we have in this Report? It is the character of Amos Kimunya as I appeared before the Committee.

The issue of departure is really a small, technical issue. On 29th of April when I appeared before this House and issued a Ministerial Statement to say the hotel was going to be sold, the sale was not the issue, neither were the parameters under which it would be sold. Hon. Members sought clarifications and everyone went home happy until the matter was taken up by the Committee. What came out was that I did not tell the truth to the House.

The question had been asked and I repeated during my two appearances before the Committee: Was this hotel sold to a company called Meridian? I said: "I am not even aware of a company called Meridian, but there is a sale process in progress and it will be done in this way." So, I do not know what information was withheld from the public.

Madam Temporary Deputy Speaker, the reason why this matter is becoming contentious in terms of who do we look at is that the Report by the Committee---

(Loud consultations)

I am told to specify the page numbers.

On page 5, points number 1 to 4 are accurate. That is what we agreed. However, in terms of item (v), on the issue of the hotel making a profit or not, again, this is an interpretation of the Committee. In my Ministerial Statement, and in the Committee, I never said whether the hotel made a profit or not, because I could not ascertain that fact. All I said was that the hotel had not remitted any money to the Central Bank of Kenya (CBK). Perhaps, that is one of the misreporting that is meant to portray me as not having said the truth to the House.

Mr. Midiwo: On a point of order, Madam Temporary Deputy Speaker. While it is fair that the Minister gets a chance to speak before the House, it is also important that he does not mislead the House. The Minister was on record having told people publicly--

The Temporary Deputy Speaker (Prof. Kamar): What is your point of order, Mr. Midiwo?

Mr. Midiwo: Madam Temporary Deputy Speaker, is the Minister in order to tell this House that he never told us that the Grand Regency was just not remitting money, while he was out there, telling people that the hotel was not making a single cent? This is in the public domain. It was even said outside the House.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Midiwo, you are explaining beyond what your point of order is supposed to be. Mr. Kimunya, proceed and clarify what you want people to know.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, I am quoting

the Committee's Report, on page five. This is what the Committee has said. I am not saying my own things. I am saying that the Committee said, under note (v), that the hotel was not making a profit. I am also saying that I said on the Floor of this House, while issuing my Ministerial Statement, which was captured by the HANSARD, that the hotel was not remitting money to the CBK. That does not mean that the hotel may not have been making profit. I do not know. I still said to the Committee that, that was one of the things that needed to be established. The only thing that was clear was that there was no money remitted to the CBK between 1999 and then. It is in the HANSARD and in the Committee's Report.

*(Mr. Midiwo stood up
in his place)*

The Temporary Deputy Speaker (Prof. Kamar): Mr. Midiwo, could you allow the clarifications to come from Mr. Kimunya? He has decided to give his response at the beginning. You will have your chance in the course of this debate, to actually speak against what he is saying. He is giving us clarifications that may be important.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, I thank you for your protection.

The other point of departure, which is very important, and on which I hope the lawyers in this House will help, is basically what we define as a sale. When I appeared before the Committee, the question was: "Has the hotel been sold to Meridian?", to which I said: "No, it has not been sold to Meridian, but negotiations are under process."

Madam Temporary Deputy Speaker, indeed, I told the Committee that, because of the delicate nature of those negotiations, I would be very selective on the information I would give, because I did not want to jeopardise the sale that was going on. So, there was admission that there was a sale process going on.

Significantly, in law, according to my understanding, a sale of land is only considered a sale when the transfer has been effected. The sale process would involve the negotiations and then people would capture those negotiations within a sale agreement, which would list all the conditions that must be met before the property is transferred. After such a transfer, you can then say that you have sold or not.

Indeed, we have seen so many State transactions, or so-called "state transactions" falling out before the final conclusion, including, for instance, the sale of the NSSF land next to the Grand Regency Hotel, and so many others.

I may be wrong, but my understanding of a sale is when the transfer has been effected. I did make that clarification to the Committee. I told them: "If that is the point of departure, then we are differing on the interpretation. My interpretation is that a sale is only deemed to have taken place when the transfer has been effected, while your interpretation of a sale is when somebody has expressed an interest to buy."

Madam Temporary Deputy Speaker, if that was the case, then I am sorry that, perhaps, we are only reading from different pages, but we are looking at the same transaction. At no any one time did I intend to mislead the Committee or the House, about the sale. We were only differing on the interpretation.

Mr. Okemo: On a point of order, Madam Temporary Deputy Speaker. I do not think it is in order for Mr. Kimunya to mislead this House by saying that the point of departure was the definition of "sale". In fact, what we demanded were the details of the transaction, at whatever point they were, but he completely refused to give us that information. That was very critical information. In fact, the debate would have ended at that point, if he had given us that information.

The Temporary Deputy Speaker (Prof. Kamar): Is that information in your Report?

Go ahead, Mr. Kimunya!

Mr. Nyamweya: On a point of order, Madam Temporary Deputy Speaker. Is it in order for the Chair of the Committee and the Minister to engage themselves in some form of debate? The Report has been tabled. It is for us, hon. Members, to debate on whether we will adopt or reject it. I do not think it is in order for that exchange to take place.

The Temporary Deputy Speaker (Prof. Kamar): Thank you, Mr. Nyamweya! You have made your point.

Hon. Members, I want to agree with Mr. Nyamweya that we are not here for an exchange on the basis of the information that the Committee has versus what Mr. Kimunya believes he said and what he did not say. The Report is now the property of the House.

Mr. Kimunya, please, give us clarifications on matters you think will assist the Report.

The Minister for Trade (Mr. Kimunya): Thank you, Madam Temporary Deputy Speaker. Indeed, I am trying. As I said at the beginning, I am not here to defend myself. I am speaking as a Member of this House. I am quoting what is in the HANSARD and what is in the Committee's Report. The important thing is that we have HANSARD recordings of what I said in the House, and we have what the Committee has said.

If the two positions are different, then we are looking at what I explained to the Committee, as to my understanding of the sale. The conclusion that has been arrived at by the Committee is that I misled the Committee that the hotel had not been sold when I was all along talking about the sale not having been concluded, but that the sale process was ongoing. I gave the information to the Committee, and to this House. It is in the HANSARD.

Madam Temporary Deputy Speaker, I actually even did say that I would not give the valuation details in this House, because it would jeopardise the ongoing negotiations. So, we all recognised that there was a sale process which was going on. I told that much to the Committee. So, the issue of whether I said the hotel had been sold or not sold should not, really, be arising. That is only one of the issues that have been highlighted by the Committee in its Report. It is on that basis, that the Committee felt that my conduct was not compatible with that of a Minister, that I had told the Committee that the hotel had not been sold when, indeed, there was a sale agreement.

There are so many other issues. However, I just want to highlight the ones that the Chairman has highlighted. One of those issues is that the Committee wrote a letter to me and said that they had received evidence from other people, and they believed that we should stop the sale.

Madam Temporary Deputy Speaker, I asked the Permanent Secretary to quickly write back and say that I was very uncomfortable with the content of that letter, and that I would need to seek an urgent meeting with the Committee, so that we could discuss what exactly caused them to come to that conclusion.

Madam Temporary Deputy Speaker, we arranged the meeting. I was in the middle of preparing the National Budget. I interrupted that exercise. I asked my secretary to call the Committee and say that I would be coming a half an hour late, which was done. Then I drove to Parliament Buildings.

I went upstairs, to the Committee Room, and only found the technical staff, who said: "The Chairman has been here with hon. Kombo." I met hon. Kombo down here, and he told me: "The Chairman has just driven off. We were just the two of us, and we could not wait forever." However, the Chairman said that I made an appointment that I never kept.

I then met the Chairman and said: "When do we meet again?" He said: "I am going on a trip abroad. When I come back, I will let you know when we can discuss this matter." What happened next was when this matter was being discussed here within the context of the censure Motion. We never held a discussion to then agree on what would have happened. Hence, the portrayal that I disregarded the Committee is, again, not correct.

Madam Temporary Deputy Speaker, another observation of the Committee, which is found on

page 46, is that the entire controversy would have been avoided if I was open and transparent. I stood on the Floor of this House and issued a Ministerial Statement, and I explained to hon. Members what was happening. I then gave further clarifications, as required of me. I am not the one who started the rumours on the streets that the hotel had been sold for Kshs1.6 billion. I am not the one who said that the hotel had been sold to Meridian. I am not the one who said it was corruption. All I was asked was: "Has this happened?", and I gave the clarification.

Therefore, to say that I was responsible for creating all the mayhem is, again, blaming the victim when, in fact, I was actually being forced to respond almost on a daily basis, based on the allegations that were being made out there by different people.

Madam Temporary Deputy Speaker, when I came before this House, I did undertake that I will guide the Central Bank of Kenya (CBK) to ensure that the sale is done in an expeditious and cost effective manner. I would like to just share with hon. Members what I actually meant. That is because I am the one who came up with those words - that I will guide the CBK to ensure that the sale is done in an expeditious and cost effective manner. We know that the CBK sold the hotel at a higher price than the highest of the valuations.

So far, there have been five valuations of that hotel - one in 1997 which returned a value of Kshs2.1 billion, three valuations that were done by professional valuers and the highest value was about Kshs2.1 billion. During the Cockar Commission, an independent valuer was appointed, who returned a value of Kshs2.03 billion. The CBK did receive US\$45 million which, if you translate at today's rate of Kshs79, you are talking of not less than--- It should be about Kshs3.5 billion plus Kshs760 million that had already been paid over and was being held by the CBK.

So, Madam Temporary Deputy Speaker, we are really talking here about the most cost effective manner. It was reducing the cost of the transaction, using the method which the Committee agreed that it was legal at page 55 - through the private treaty - and in the most expeditious manner by looking with reference to Section 52 of the Central Bank Act, which this House has passed and has said that the Central Bank shall not hold any commercial interest in a hotel or in any other commercial undertaking. If they realize it by way of securing a debt, they must dispose of it at the earliest suitable opportunity. Now, it is this House that has directed the CBK that: "You shall not hold interest in any commercial undertaking and if you pick it as part of realizing your debt, you must dispose of it at the earliest suitable opportunity." That is Section 52 of the Central Bank Act which has been passed by this House.

In furtherance of that, Madam Temporary Deputy Speaker, the CBK then asked: "So, what is the implication of this. We must dispose of this!" I came before this House and said: "I would like this hotel to be disposed off within a month." No hon. Member raised any objection to that during the Ministerial Statement. The CBK went ahead and did it and, like I said, according to the Committee, on page 45, they elected a method that was, therefore, legal.

Madam Temporary Deputy Speaker, when we are done looking at--- In typical of realizing charge, I think it is important for all of us to know that if you have a loan with a bank and they come to repossess that property, and they dispose of it using whatever method, they are only entitled to the portion of the loan and the balance is then paid over to the person whose property has been repossessed. But in this case, we did say that Kamlesh Pattni will not receive a single penny. All that money should go to the public coffers to compensate for the length of time and all the inconveniences caused by what had happened and that is why I thought this was the best thing that CBK could have done. But instead of commendation, it brought all the furore that it did.

Madam Temporary Deputy Speaker, just looking through, I think that whosoever suggested that I withheld information that was given to me by the CBK and I did not pass it on to the Committee--- It is important because the Committee itself does recognise that the brief that I had did not contain the sale information, and that is actually contained--- I will give you the page number because that might be very important. It is on page 50, paragraph 4.2 and part 2--- Sorry, it is actually

on page 48 of this Report. The Committee observed that the report that I had given or the one given by the Governor did not contain the information on the sale. I believe that is important because what the Chairman said is that I withheld information that would have shed light to the Committee. But whatever brief I had is exactly what they had and none of them had information about the sale. It is the same brief that I was given. The same was given to the Prime Minister and it was tabled in this House.

Madam Temporary Deputy Speaker, I am trying to rush through. It is a whole big Report. I am trying to rush through it within the time that I have. But looking through the Committee's recommendations against the background of what they were supposed to be interrogating and reporting on, it becomes very clear that instead of concentrating on the legality of the sale or guiding the public or the people in terms of the question: "Was this hotel sold properly or not", the concentration seems to have been on the question: "What did Amos Kimunya tell them when he appeared before the Committee, regardless of the final outcome of the sale, whether it was right or wrong?"

To me, this seems to be like, perhaps, the Committee has not reported towards the expectations of us, as hon. Members and the Kenyan people in terms of me knowing whether the hotel was sold rightly or wrongly. We cannot tell that from this Report! All it says is: "Amos Kimunya did not give us the full information". But the Committee was at liberty to obtain all that information from all the others. One is then led to ask: Was this Report prepared with some fore-thought malice to achieve some other ends?

Madam Temporary Deputy Speaker, the other question that one must ask is: Even if I had, for example, that brief and I gave it to the Committee, what other information would they have got than what they got from the Governor, who was the one responsible in terms of the day-to-day administration; from the Attorney-General or from all the other people who appeared before the Committee? That is because all I was doing was to report to them a collection of information that I had gathered from different people who were the actors and for us from the Treasury, there was actually no direct involvement in that sale.

Madam Temporary Deputy Speaker, the other item one would ask is, for example, the Minister of Lands is the one responsible for registering property, including public properties. Why did the Committee not write to the Minister for Lands to say: "Do not transfer this property until we have finished, instead of writing to the Minister for Finance to say 'stop the sale', when the Committee knew very well that it is not the Ministry of Finance that was actually involved in the sale and, rather, it was CBK. Those are the issues that one then looks at and wonders: "What was actually the motive of all that?"

More importantly, Madam Temporary Deputy Speaker, in this whole report, is there any evidence that there was corruption involved? That is because this whole Committee was structured to check whether there was corruption involved in this transaction. Have we found any traces of any corruption? What was the point of investigating in this manner, if the Committee came out and said: "It was done well. The only problem is that the Minister did not tell us all the information."

Madam Temporary Deputy Speaker, I think it is also important to know that the Report indicates, within the minutes, that there was so much more information to come from the Attorney-General. When you look at Minute 36, there is information to come from the Kenya Anti-Corruption Commission (KACC). That is from Minute 35. But that was never followed up! The Committee has not told us whether they received this information. Had that information come, we thought that it would have enriched this Report or made it better or worse for us. So, as I am looking at this Report, I really consider it as a very incomplete Report that is not addressing the issue that it should have addressed. It is targeted to paint a different picture, and to almost create some impression about my character instead of coming out and saying where we are.

The Assistant Minister for Medical Services (Mr. Mungatana): On point of order, Madam Temporary Deputy Speaker. In view of the fact that this matter has generated a lot of interest, I

request that, although we are entitled to 30 minutes, this being a Departmental Report, we should limit the next contributions to ten minutes so that more hon. Members can contribute.

Hon. Members: Five minutes!

The Temporary Deputy Speaker (Prof. Kamar): Let us allow Mr. Kimunya to finish, and then I will rule on that matter.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, as we look through this Report, for some reason the Chairman avoided mentioning any other people except Mr. Kimunya and the Governor, although within the Report there are other people. It is not politically correct to mention those people.

*(Mr. Okemo stood up
in his place)*

An hon. Member: It is the Committee!

The Temporary Deputy Speaker (Prof. Kamar): Mr. Chairman, please hold it! Let him wind up and then it will be the hon. Members of the Committee.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, I am saying what has just happened.

The Temporary Deputy Speaker (Prof. Kamar): Can you come out clearly? Are you referring to the Committee or to an individual?

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, the Report contains so many people. What the Chairman has presented here has concentrated on only two people.

An hon. Member: It is the Committee!

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, it is the Committee; its presentation here has mentioned only two people; all the people have not been mentioned. I wonder Why are all the others have been left out? For example--- Let me even leave it!

(Loud consultations)

The Temporary Deputy Speaker (Prof. Kamar): Mr. Kimunya, we have the Report with us.

The Minister for Trade (Mr. Kimunya): Madam Temporary Deputy Speaker, since hon. Members will read the Report, I think we can leave that but let me say this: I look at this Report as basically an attempt to show me in certain light, to cloud over the issues and, perhaps, justify some Motion that has been brought here, which will be the subject of another day.

Unfortunately, some good suggestions may be lost because the Committee has mixed matters up, but in the end, in the interests of time and for hon. Members, I am very disappointed that the Committee, which we hoped would shed light on this transaction, did not do that.

This Report does not help me; it will not help anyone who will look at it to know how the Grand Regency Hotel was sold; hence, I would urge that this House finds this Report incomplete, unsatisfactory and not measuring to our expectations. It will be a big disservice to this House if this Report is adopted and forms part of the archives of this House, because it will be lowering the dignity of the House. That is why I said that I was rising to defend the dignity and integrity of this House, so that it is not used as a platform for people to settle political scores on their behalf.

With those few remarks, I beg to urge that the Report should not be adopted.

(Applause)

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, Mr. Mungatana raised an issue. We normally do not vote on such issues, and I do not intend to put it to a vote. I think it is a

gentlemen's and gentleladies' agreement in this House that when we have a very important Motion like this one, we allow everyone of us to have a turn.

Hon. Members: Five minutes!

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, please let us go for five minutes. If you can afford five minutes, we will be very happy, but if you go for ten minutes, we might tell you to sit down.

Mr. Midiwo: Madam Temporary Deputy Speaker, I rise as a Member of this Committee to support this Report. I am going to try and stick to ten minutes. It would have been nice to hear the Minister defend himself after we had tackled the Report on the Floor of the House.

This is not a small matter! It is unfortunate that there is an attempt to make the contents of this Report political. This is corruption! It is the heart of corruption; if we are to "kill" impunity in this country, we have to begin today.

I want to stand here and ask my hon. colleagues not to make a mistake, because this country is watching. We want people to stop impunity; I do not think that one person, or ten people, in this country should spoil the few anti-corruption gains made in the last ten years or so.

The Report that the Minister is poking holes in is very interesting. On 29th April, 2008 the Minister stood before this Committee, an issue I raised on the Floor of the House today, and told us that the employees of the Grand Regency Hotel would be safe. Today, I brought it here; 172 of them have been fired. It is very interesting that the Minister should tell us that he did not say that the hotel was not making profit, yet he did! He told us so, in here and outside.

The people who took care of the Grand Regency Hotel, the receivers, gave the Committee evidence that at the time when there was a rush to sell the hotel, there was Kshs342 million in the bank. That money, to date, has never been accounted for. Who took that money? If the hotel was sold to the Libyans, where is the money which was in the account at the time of sale? It is very important that if we want to look at the issues of corruption, we put politics aside. I have said here that as an hon. Member, and a Whip of the Government, I will stand with it when it is straight. When it is not, I will not defend theft!

Madam Temporary Deputy Speaker, this sale was conducted without the attorney for Central Bank of Kenya (CBK), Mr. Murgor, being informed. We were told that during this inquiry, Mr. Murgor was only informed after the Minister resigned and the President ordered an inquiry. That was a whole attorney for the CBK! What were they hiding? The Governor of CBK was truly advised by the Board of the CBK to look for somebody to buy the Grand Regency Hotel. What did he do? He did not look for buyers. Together with the Minister, he single-sourced. Single-sourcing is against the law in this country. Who does not know that? They went and looked for Libyans, negotiated somewhere and then told us that they had a buyer. The Minister said that a deal of Kshs2.9 billion was too sweet to ignore. That, to me, is criminal! It is truly criminal.

The Assistant Minister for Industrialization (Mr. Muriithi): On a point of order, Madam Temporary Deputy. Is it really in order for the Member, who is also a hon. Member of this Committee, to mislead the House by introducing matters that are not in this Report? In fact, he is suggesting that the sale itself was illegal, yet this Report by his Committee concludes, in four or five different sections, that this sale was perfectly legal. Is he in order?

The Temporary Deputy Speaker (Prof. Kamar): Hon. Member, you have not been given your chance to debate. When you get a chance, tell us, in your opinion, whether it was legal or not. Let us allow hon. Members to make their own judgement, because we are supposed to vote on this Motion.

Mr. Midiwo, please finish up! You have one minute!

Mr. Midiwo: Madam Temporary Deputy Speaker, I am a Member of the Committee and I want to raise some issues. I hope you will indulge me, because I think my time to debate this Motion is 30 minutes. This is a very important Motion for this country.

Madam Temporary Deputy Speaker, page 48, Part V of the Report, talks of a court consent order of 9th April, 2008. The consent order stipulated that the Grand Regency Hotel should be transferred to the Central Bank of Kenya (CBK).

An hon. Member: Your time is up!

Mr. Midiwo: No! You are not a herder! Talk to me through the Chair!

The Temporary Deputy Speaker (Prof. Kamar): You are out of order, hon. Midiwo! We agreed on a---

Mr. Midiwo: I am not in agreement, Madam Temporary Deputy Speaker! As a Member of the Committee, you have to give me a chance to contribute. What they are trying to do is clear!

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, I think I will do what I had tried to avoid; to put the Question on what time you want us to take on this debate.

Can we get back to hon. Mungatana to give his proposal and then we see whether it will be defeated?

The Assistant Minister for Medical Services (Mr. Mungatana): Madam Temporary Deputy Speaker, in view of the importance of this Motion and the interest it has generated. I propose that each Member, instead of the 30 minutes that is allocated by the rules, be allowed ten minutes.

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, we normally do not put the Question because according to Standing Order No.81, we are entitled to 30 minutes for this kind of debate.

So, let me put the Question for the sake of building consensus.

An hon. Member: Rule! Rule!

The Temporary Deputy Speaker (Prof. Kamar): We have always agreed in this House when we want to restrict our debates.

I would like to put the Question so that we build consensus, because I know that this is a debate that is very important for all of us.

Hon. Mungatana, has made a proposal that we go for a debate of ten minutes. I will now put the Question.

(Question, that each Member speaking be allowed ten minutes, put and agreed to)

Because we have agreed, it means that Mr. Midiwo still has his five minutes.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): On a point of order, Madam Temporary Deputy Speaker. In view of the fact that we have less than 15 minutes and we want to vote on this, I have another suggestion that we restrict ourselves to five minutes. That is my new proposal.

(Several hon. Members stood up in their places)

The Temporary Deputy Speaker (Prof. Kamar): Order, hon. Members! I have already ruled on that. This debate can continue next time. We do not have to finish it.

Proceed, hon. Midiwo! You have five more minutes.

Mr. Midiwo: Madam Temporary Deputy Speaker, as I was saying, on the consent order of 9th April, 2008, the court ordered that all the assets, including the bank accounts of the Grand Regency Hotel, be transferred to the CBK. At that point, the CBK had an opportunity to do one of the two things. One, to transfer the Grand Regency Hotel to the Government and then sell it following procurement laws, which it did not do. It could have exercised, as it did, its statutory powers of sale, which they chose just to avoid the law, but still there had to be competitive bidding. They did not do

this. That was the Minister and the Governor doing it, because the Board did not okay that process.

Madam Temporary Deputy Speaker, I want to draw the attention of this House to the opinion of the Intelligence officer, Gen. Gichangi, who was on this Committee that--- It is on page 49 of the Report. The General said that he gave his briefing, as he usually does in confidential meetings, to all parts of the Government. It says:-

"The Committee noted that in his briefing, the Director raised concerns over the manner in which the hotel was surrendered and subsequently sold."

The issues we raised also had to do with integrity and fears that the Public Procurement and Disposal Act was being flouted, possibly to cover up some irregularities and indicated that this had the consequence of portraying the Government as not committed to fighting corruption."

Madam Temporary Deputy Speaker, this is the leader of Intelligence telling the Government. This Committee, having realised through rumours that the hotel had been sold, took it upon itself to write to the Minister not to effect the sale of the Grand Regency Hotel, until we completed our investigation. What did the Minister do? The Minister ignored us. We still wrote to the Governor of the CBK and told him: "Please, update us in the process that have happened that far."

The Governor wrote to us and gave the letter and his compilation to the Minister, but he never submitted it to the Committee. That is why the Committee is categorical in saying that the Minister lied to it. He was less than forthright with information. We have to hold the Minister to account, because when a Minister who is in charge of looking after our public assets looks at the nation in the eye and lies about a matter that involves billions---

Kenyans are going hungry because a few thieves are invoking political alienation and tribal affiliations so that they can get away. Corruption is corruption whether you are a Luo, Kikuyu, Rendile or anybody. This country must stand up and deal with corruption, and Mr. Kimunya is corrupt!

The Minister for Trade (Mr. Kimunya): On a point of order, Madam Temporary Deputy Speaker. You have heard the hon. Member say categorically that Mr. Kimunya is corrupt. Could he table the evidence of my corruption or withdraw that statement and apologise?

Mr. Midiwo: Madam Temporary Deputy Speaker, I withdraw and apologise, so that I can make one more point.

The Temporary Deputy Speaker (Prof. Kamar): Have you withdrawn and apologised?

Mr. Midiwo: Madam Temporary Deputy Speaker, I have done that because I know what he is trying to do.

On page 52 of the Report, the Minister of Lands is cleared by the Committee. But it is interesting that one Mr. Abuga drove a Government vehicle, went and picked valuers from the Ministry of Lands and then went to the Grand Regency Hotel and under-valued it within one day and the hotel was sold. The Minister came before the Committee---

Mr. Nyamweya: On a point of order, Madam Temporary Deputy Speaker. Is it in order--- I will read what the Committee says. It says:-

"The CBK's election to proceed by way of private treaty was, therefore, legal---

Now, if that Committee is saying that the sale was legal, is the hon. Member in order now to introduce matters which are not in the Report?

The Temporary Deputy Speaker (Prof. Kamar): Order! Hon. Member, you are out of order! You will have your own chance to say what you want to say. This is a debate!

Proceed!

Mr. Midiwo: Madam Temporary Deputy Speaker, it is interesting that the Commissioner of Lands went ahead against the instructions of the Minister for Lands to effect the transfer of that hotel.

I beg to support.

The Assistant Minister for Medical Services (Mr. Mungatana): Madam Temporary Deputy Speaker, I thank you for giving me the opportunity to debate this Report.

Madam Temporary Deputy Speaker, if you look at the recommendations from pages 59 to 61 of this Report--- Those of us who have read the Report will see that on Page 61 on the Government organs, the Committee has recommended that Government bodies should communicate and co-ordinate with each other to ensure proper functioning of Government. If you look at the recommendation on foreign investors, it says that in future, we should have more transparent manner in which we deal with foreign investments. Is that a wrong recommendation? Is it a wrong recommendation for Government organs to work together?

Madam Temporary Deputy Speaker, if you look at the recommendation under various statutes---

Mr. Mbugua: On a point of order, Madam Temporary Deputy Speaker.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Mbugua, what is your point of order? It better be a point of order!

Mr. Mbugua: Madam Temporary Deputy Speaker, because this matter has been of great public interest, would I be in order to ask this House to put it to rest? Let us vote.

Hon. Members: No! No!

The Temporary Deputy Speaker (Prof. Kamar): Mr. Mbugua, you are out of order!

Mr. Mungatana, please, continue!

The Assistant Minister for Medical Services (Mr. Mungatana): Madam Temporary Deputy Speaker, I am asking this House to look at this debate soberly. On Page 60, under Paragraph 6.5, the Committee recommends that we need to amend the Public Procurement and Disposal Act, the Companies Act and others. Is that a wrong recommendation? It is a good recommendation.

If you look at the recommendations on the Goldenberg-related cases, it is a good one. The recommendation on the Governor of the Central Bank of Kenya (CBK) is also a good recommendation. The only thing that is causing tension in this House is the recommendation on whether Mr. Amos Kimunya should continue holding public office or not and whether he conducted himself in a manner worthy of a Minister. This House already passed a recommendation on that matter as well. In my opinion, we should not have a lot of debate on this matter.

(Applause)

In my very humble opinion, we should adopt this Report. If there are any amendments that must be made to the Report, then let us not say it should be thrown out. Let somebody say, "there is this section I do not like, I want us to adopt the Report with these amendments". As far as I am concerned, let us be sober about this matter. My first point is to support the adoption of this Report.

Madam Temporary Deputy Speaker, the second point is that the Grand Regency Hotel is a place that many Kenyans go to. Once in a while even me as a private citizen, I take children there on Sunday afternoons. Before this transaction was done, I used to pay Kshs500 for swimming and other recreational activities. Last Sunday, the shock of my life, we went there and were told that everybody has to pay Kshs1,500 per toddler, child or anybody. We are paying for corruption in this country!

(Applause)

What was it that made a simple transaction like that suddenly make all citizens of this country pay Kshs1,500 for the facility? There must be some added cost that the new investor is trying to recover. As an ordinary citizen of this country, I will be in this House to say, "we will not accept this kind of thing to happen". Even hidden costs that are added on services and commodities, for example, on road contracts, who pays for them? It is us who pay for these bad roads. Change must start from this House. We must adopt this Report.

Mr. Midiwo said that 172 members of staff were fired. The few that remained told me that if

this matter comes to Parliament, "*mheshimiwa tutetee*". Kenyans are suffering. We must take a very firm stand on transactions that happen and hurt our people even if they involve foreigners. Some of us will stand where we know the truth is. This Report is clear and we should adopt it as a House. Whatever happens afterwards, we really have nothing--- I

listened very carefully to Mr. Kimunya's speech. He said that the Committee is trying to tarnish his name. We have a lot of respect for him and this matter should not be personalised at all.

If I were in his position, I would have sought the indulgence of this House to look again at the decision it made. He ought to have apologised to this House and asked it to review its decision. He ought to have done this before taking up his new appointment as a Minister. I do not believe even the decision by His Excellency the President to appoint someone whom this House has resolved that it has no confidence in, was correct. I stand to be judged by history. When this House has passed a decision, it needs to be respected by the Executive.

With those few remarks, I urge this House to support the adoption of this Report.

(Applause)

Mr. Namwamba: On a point of order, Madam Temporary Deputy Speaker. In view of the fact that this House has already got into the groove of debating this matter and the great interest that the country has in this matter that it be concluded, would I be in order to plead with the Chair to consider extending the sitting of the House this afternoon so that we conclude this matter or in the alternative---?

(Loud consultations)

Hon. Members: No! No!

Mr. Namwamba: I am on a point of order. I am speaking to the Chair.

Madam Temporary Deputy Speaker, I was asking of the Chair that it considers either extending this sitting or proceed to put this matter to vote right now.

The Temporary Deputy Speaker (Prof. Kamar): Mr. Namwamba, you know that when you want an extension of the House, you ask for it before we start the debate.

You do not wait until we are short of time and then seek extension. Earlier on, when we were debating on how much time to allocate each speaker, I noticed that we have a lot of people who want to debate. We only need to be fair to those hon. Members who want to debate. We will not close the debate today.

We have one minute to go and I will give it to Mr. Konchella.

Mr. Konchella: Madam Temporary Deputy Speaker, Sir, mine is about morality. We are either a corrupt nation or not. It has nothing to do with my friend, Mr. Kimunya. It is about what is eating this country. Yesterday, the Minister for Foreign Affairs said that we have a tranche of money ready for us to collect, but because we are so corrupt, we will not get that money.

(Applause)

So, this Report must be adopted so that those who will be in office tomorrow do not make the same mistake and destroy this country through corruption. We should not be looked at as thieves by everybody in the world. The sale of public assets must be known to the people of this country. We will be destroying the trust that the people have given us to protect their assets or sell them on their behalf. Kenyans have a right to be given---

I support.

ADJOURNMENT

The Temporary Deputy Speaker (Prof. Kamar): Hon. Konchella, you have eight minutes left. You will be the first one to be given consideration tomorrow.

Hon. Members, it is now time for the interruption of business. This House, therefore, stands adjourned until tomorrow, Thursday, 29th January, 2009 at 2.30 p.m.

The House rose at 6.30 p.m.