

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 8th July, 2008

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 Political Parties (Registration) Regulations, 2008.

*(By the Assistant Minister for Justice,
National Cohesion and Constitutional
Affairs (Mr. Kipkorir) on behalf of
the Minister for Justice, National
Cohesion and Constitutional
Affairs)*

Report of the First IGAD-IPU Executive Council meeting held in Khartoum, Sudan, from 25th to 26th May, 2008.

(By Mr. Farah)

Annual Report and the Abstract of Accounts of the Municipal Council of Chuka for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Nyandarua for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Municipal Council of Kabarnet for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Municipal Council of Kabarnet for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Migori for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Migori for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Town Council of Awendo for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Town Council of Kikuyu for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Municipal Council of Homa Bay for the

year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Municipal Council of Homa Bay for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Town Council of Sagana for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Town Council of Karuri for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Nyandarua for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Kisumu for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister, Office of the
Deputy Prime Minister and Ministry of Local
Government (Mr. Githae) on behalf of
the Deputy Prime Minister and Minister
for Local Government)*

NOTICE OF MOTION

ADOPTION OF POLITICAL PARTIES
(REGISTRATION) REGULATIONS

The Assistant Minister for Justice, National Cohesion and Constitutional Affairs (Mr. Kipkorir): Mr. Speaker, Sir, I beg to give notice of the following Motion:-
THAT, this House adopts the Political Parties (Registration) Regulations, 2008.

QUESTIONS BY PRIVATE NOTICE BANK CHARGES FOR EFT OF SAFARICOM IPO

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

(a) Is the Minister aware that share applicants in the just concluded Safaricom IPO who applied through the Electronic Funds Transfer (EFT) have to-date neither been informed their share allocations nor received their refunds?

(b) Why do such applicants, as well as those without bank accounts, have to pay Kshs500 to the banks in order to get their cheques cleared?

(c) What urgent action will the Minister take to ensure that all applicants are informed of the shares allocated and that banks do not charge the Kshs500 to clear the cheques?

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

(a) The Electronic Funds Transfer (EFT) is a mode of payment other than the national payment system. This is not the same as the Electronic Application System for shares, used as one of the options for application for shares under the just concluded Safaricom IPO.

The application for the shares sold under the IPO were either through manual or electronic application. For any of the two options, the applicants had to pay through an authorised selling agent. The allotment, specifically the percentages allocated were communicated through the Press. If any applicant required specific details, they had a number of options, including:-

(i) Visiting their brokers.

- (ii) Sending email to Safaricom ipo@swiftkenya.com.
- (iii) Calling the help desk through the numbers 27543000 and or 0722120122.
- (iv) Sending an SMS to 4009.

With regard to receiving funds, applicants could opt to receive a cheque through their selected selling agents or via EFT systems. This system was very successful as majority of the applicants who had opted for this option received their CTFs on time. However, some applicants who applied for EFT were defaulted to cheques due to bank accounts details not being filled properly.

(b) We are not aware of any banks which are charging Kshs500 in order to clear applicants' refund cheques. All applicants should present their cheques for amounts less than Kshs10,000 to one of the receiving banks, namely, Citibank, Post Bank, Equity Bank or the National Bank of Kenya, where they will only be charged Kshs50. All investors with refund cheques of over Kshs10,000 are encouraged to bank them.

(c) As indicated in "a" above, mechanisms are already in place for applicants to find out how much they were allocated. Refund cheques of less than Kshs10,000 should either be presented for payment at one of the receiving banks mentioned in "b" above.

Mr. Ngugi: Mr. Speaker, Sir, I do not know what to say. I have an answer here which has just been handed over to me as I entered the Chamber. The answer is signed by hon. Amos Kimunya, the Minister for Finance. It is dated 2nd July, 2008. It is back-dated to 2nd July, 2008.

First, this answer is completely different from what the Assistant Minister has given. Secondly, the Government is very insensitive towards the suffering of Kenyans. It does not matter to the Assistant Minister for Finance that Kenyans are being charged Kshs500. He is not aware because he is not in touch with the common man. This is not acceptable.

Just a short while ago, the Nyaga Stock Brokers collapsed. Ordinary Kenyans have been lining up to register their claims, which according to the newspapers, have reached Kshs1 billion. The Ministry of Finance is not sensitive to the fact that ordinary Kenyans are being charged Kshs500 by banks. For an ordinary Kenyan's money to be held for a long time by a bank really matters. I do not think that the answer given by the Assistant Minister will help us.

Dr. Oburu: Mr. Speaker, Sir, first, the answer which the hon. Member got was replaced. As you may recall, last week, Parliament resolved here that answers should be signed by me. When it was resolved that, I had to give the answer according to what I thought was correct. That is why what the hon. Member has is different from what I have. He is going to get a copy of the correct answer just now.

The issue of the applicants being charged Kshs500 was discussed in the Ministry together with the Central Bank of Kenya. It was resolved that those who have Kshs10,000, which was the minimum, should not go to their commercial banks. The commercial banks will continue to charge them Kshs500. It was agreed with the receiver banks, which I have enumerated here, that they will cash the cheques for the applicants for a payment of only Kshs50. It is, therefore, not correct to say that the Ministry is not sensitive to the suffering of the wananchi. If they want to go to their banks, they will be charged that Kshs500, but they have an option to go to the receiver banks, who will charge them only Kshs50.

Mr. Midiwo: Mr. Speaker, Sir, this Ministry must sort out the Safaricom IPO mess. Just two days ago, I was confronted by a group of people who told me that when the Safaricom shares were being floated, the Ministry went on record, particularly the Investments Secretary, and said that investors would be guaranteed a minimum of 2,000 shares. This translated to Kshs10,000.

Many people in the villages across the country are being refunded their Kshs10,000 less Kshs500 because they got this money from the banks. Some people borrowed this money from the banks. They were not allotted any share. They are being refunded the full Kshs10,000 minus Kshs500.

Could the Assistant Minister undertake to go back to the Ministry, sit with the Investments Secretary and find out where the problem could have been? Kenyans were publicly guaranteed a minimum of 2,000 shares. This will enable the stock market to regain some confidence and the people will not feel cheated by the Government. We know that the Minister who was behind the Safaricom IPO is gone, but the responsibility is still on the Government to assure people of their investments.

Dr. Oburu: Mr. Speaker, Sir, I am not aware of that assurance by the Investments Secretary. However, I am aware that the shares were issued in accordance with the prospectus which was made public. Members of the public who wanted to invest had to go as per the conditions established in the prospectus.

With regard to the amount of money that is being charged in terms of interest, I know that it is only Equity Bank that decided to waive interest on the amount of money which was not allotted shares. All the other banks have charged interest on whatever loans they gave to members of the public. We, as a Ministry, are advising the other banks to follow the example of Equity Bank. However, we are not in a position to dictate to them.

Mr. Ngugi: Mr. Speaker, Sir, I am surprised that a mwananchi friendly bank called Equity is the only one which has agreed to waive the charges. All these other banks which have been making billions of shillings cannot be sensitive enough to waive the charges. The Ministry of Finance cannot persuade them to waive the charges.

Secondly, how many hon. Members of this House are aware that those who did not have bank accounts could go to Citi Bank and the other banks which have been mentioned to cash their cheques? If these hon. Members are not aware, what about the ordinary Kenyan? This information ought to be published through the electronic and print media so that my mother up there in Kinangop can know that there is an alternative. After all, will my mother come from Kinangop to Citi Bank here in Nairobi to cash her cheque of Kshs2,000? I would want to appeal to the Assistant Minister for Finance to be sensitive to Kenyans.

Dr. Oburu: Mr. Speaker, Sir, with regard to the information being made available, all the information about that is available with the stockbrokers. All the people who purchased shares went through their stockbrokers, but because this is now being discussed in the National Assembly, I am sure the media, which is here, is going to help us to inform the public because it is now being discussed in a public forum.

MEASURES TO STOP CATTLE RUSTLING IN SAMBURU DISTRICT

Ms. Leshomo: Bw. Spika, naomba kumuuliza Waziri wa Utawala wa Mikoa na Usalama wa Ndani Swali Maalum lifuatalo.

(a) Je, Waziri ana habari kwamba kuna vita vikali baina ya jamii za Turkana na Samburu vinavyoendelea katika tarafa ya Baragoi na Ng'iro katika eneo la Samburu Kaskazini, ambapo wahalifu kutoka jamii ya Turkana wameshambulia manyatta za watu wa jamii ya Samburu, wakaiba takriban ng'ombe 400 na kuuu watu kadhaa?

(b) Waziri ana habari kwamba watu kutoka jamii ya wa Pokot vilevile wanaendelea kuwashambulia jamii ya wa Samburu katika tarafa za Kirisia na Loroki katika eneo Bunge la Samburu ya Kati?

(c) Serikali imechukua hatua gani kuhakikisha kwamba mifugo walioibwa, ambao wako malishoni karibu kilomita 25 kutoka eneo la mashambulizi, wamekombolewa na kurejeshewa wenyewe?

(d) Serikali ina mipango gani hasa kukomboa mifugo wote walioibwa na kuhakikisha visa

vya mashambulizi na wizi wa mifugo vimekomeshwa kabisa katika maeneo hayo?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Bw. Spika, sina jibu la Swali hili ingawa ni Swali muhimu sana kwa sababu linahusu eneo langu la Bunge. Ningependa kuomba muda ili nilete jibu sahihi.

Ms. Leshomo: Bw. Spika, nimeshtuka sana kusikia kwamba Waziri Msaidizi hana jibu ilhali watu wanakufa na mali yao kuibwa. Watoto wameacha shule. Hakuna mtoto aliye shuleni katika tarafa hizo zote. Pia watoto wanakufa. Tarehe 1 Julai, 2008, nililia machozi nilipopigiwa simu kwamba watu wanakufa. Je, Serikali ina mpango gani kusimamisha vita hivyo? Kwa wakati huu, kuna njaa huko. Watu wanakufa na ng'ombe wanaibwa. Je, tutaelekea wapi?

(Laughter)

Mr. Speaker: Order, Bi. Leshomo! Order, Hon. Members! Bi. Leshomo, Waziri Msaidizi wa Wizara ya Utawala wa Mikoa na Usalama wa Ndani amesema kwamba hana majibu leo na anahitaji muda ili aweze kujitayarisha na akujibu haraka iwezekanavyo. Sasa nimekuuliza: Je, utakubali Waziri Msaidizi apewe muda? Hii ni kwa sababu ni muhimu akujibu na akujibu vizuri.

Ms. Leshomo: Bw. Spika, nitakubali apewe muda lakini, je, watu wataendelea kufa mpaka atakapopata jibu la Swali hili?

(Laughter)

Mr. Speaker: Order, hon. Members! Je, Waziri Msaidizi, utaweza kulijibu Swali hili wiki ijayo?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Bw. Spika, kuna kazi ambayo inaendelea na sitaki watu wengine walitumie Bunge hili kutoboa siri za Serikali. Serikali inachukua hatua kuangalia maisha ya watu wa sehemu yangu. Kuna kazi inapangwa japo sina jibu. Sitaki kazi ambayo inafanywa wakati huu--

(Loud consultations)

Mr. Speaker: Order, Mr. Lesrima! Waziri Msaidizi, nimeuliza swali rahisi. Je, utaweza kujibu hili Swali la Dharura wiki ijayo ama utalijibu wiki hii? Kama unaweza kulijibu wiki hii, basi, nitakuruhusu ulijibu Alhamisi. Sasa eleza!

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Bw. Spika, naomba nijibu Swali hili Jumanne wiki ijayo.

Mr. Speaker: Ahsante. Nimeamrisha hivyo!

(Question deferred)

Next Question, hon. Olago Aluoch!

ORAL ANSWERS TO QUESTIONS

Question No.017

MEASURES TO DECONGEST
CITIES IN KENYA

Mr. Speaker: Order, hon. Members! We have information that hon. Olago Aluoch is engaged elsewhere on parliamentary business.

This Question is, therefore, deferred until Thursday this week.

(Question deferred)

Question No. 075

REHABILITATION OF KATHITA BRIDGE

Mr. Ruteere asked the Minister for Roads:-

(a) if he is aware that Kathita Bridge in Meru Town is narrow and is unable to handle human and vehicular traffic during rush hours; and,

(b) what urgent steps the Government is taking to improve the bridge.

The Assistant Minister for Roads (Mr. Kinyanjui): Mr. Speaker, Sir, I beg to answer.

(a) Yes, I am aware that Kathita Bridge in Meru Town is narrow and is unable to handle human and vehicular traffic during rush hours.

(b) My Ministry intends to build two foot bridges on both sides of Kathita River Bridge to be used by the pedestrians in order to avoid conflict with vehicular traffic on the bridge. Funding will be through Nkubu-Meru-Lewa Road, that is, B6 Project.

Further, the Ministry initiated the process to procure a sub-contractor to construct the foot bridges in 2007 under the aforementioned projects. Bids were submitted towards the end of 2007 and are currently under evaluation to procure a suitable sub-contractor for the work. The award is expected by mid August, 2008.

A total of Kshs6,700,000 was provided in a prime cost sum item for construction of foot bridges in the contract for rehabilitation of Nkubu-Meru-Lewa Road.

The Kathita Foot Bridge, which are estimated to cost Kshs9 million, will be funded partly from the total sum items and the balance from the savings realised from the main contract.

Mr. Ruteere: Mr. Speaker, Sir, I appreciate the Assistant Minister's answer. However, being aware that the contractor who was on this section of the Nkubu-Meru-Lewa Road is no longer there and the poor workmanship on the road--- The access roads have not been completed to our satisfaction. What measures will the Assistant Minister put in place to ensure that when the foot bridge is done, it is not left incomplete just like the other project?

Mr. Kinyanjui: Mr. Speaker, Sir, as I have mentioned, the contract will be awarded by mid-August, 2008. We have taken care to ensure that all the quality aspects are maintained. We will ensure that proper supervision is done to ensure that all bridges adhere to the set standards.

However, in the event that there are certain areas of omission that may have been committed by the contractors, we will gladly want to hear from the hon. Member or any other member of the public who may be aware of that. We will, however, ensure that the project is done to the satisfaction of the hon. Member.

Mr. Ruteere: Mr. Speaker, Sir, I will invite the Assistant Minister, if he is willing to come to Meru, to see the poor work that has been done in the whole of Meru Town. The contractor has already left the site. The work that has been done has left the town worse than it was before. It is vital that the Assistant Minister goes to see what is happening. We wonder why the Municipal Council engineer has not told them that the work that was paid for was not done satisfactorily.

Mr. Kinyanjui: Mr. Speaker, Sir, I welcome the invitation from the hon. Member and we will organise for time to visit there. In the meantime, we will do all that is necessary and before the project is handed back to the Ministry by the contractor, all work, as specified in the contract, will

actually be done.

Question No.082

MEASURES TO BOOST FOOD
PRODUCTION IN ASAL AREAS

Mr. Lekuton asked the Minister for Agriculture:-

- (a) given that the world food prices are escalating due to fuel prices, the decision by the USA to produce ethanol from corn and various other reasons, what the Ministry is doing to avert acute food shortage; and,
- (b) what plans the Government has to make arid and semi-arid areas more productive to feed the nation.

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

(a) The Government has put in place the following measures to avert acute food shortage:-

(i) Remove duty on imported rice and reduce duty on imported wheat from 35 per cent to 10 per cent. In 2007/2008 Supplementary Estimates, Kshs2.226 billion was allocated to national food security.

(ii) Approve the importation of five million bags of maize to re-stock the Strategic Grain Reserve (SGR).

(b) In order to make arid and semi-arid areas more production to feed the nation, the Government has the following plans in place:-

(a) Promotion of drought-tolerant traditional food crops such as pigeon peas, cassava, sorghum, sweet potatoes, *et cetera*. On that, the Government has allocated Kshs68 million.

(b) Promotion of water harvesting for crop production. The Ministry has allocated Kshs100 million for water harvesting.

(c) Together with other development partners implementing agriculture development projects such as community agricultural development in semi-arid areas, the Government has allocated Kshs42 million.

Thank you.

Mr. Lekuton: Mr. Speaker, Sir, right now there is a World Bank report that says about 100 million people worldwide live below the poverty as a result of this food shortage. This has sparked riots from Bangladesh to Egypt. It is considered as the first real economic crisis of globalisation. The US has diverted a third of its corn to make ethanol, the EU has diverted half of its vegetables to produce bio-diesel and farmers worldwide have been asked to produce bio-diesel instead of food. I understand that those are precautionary methods. We cannot keep playing deep end! We need to be proactive and open. Apart from the precautionary methods that the Assistant Minister is telling us of now, what have they put in place? Is there a comprehensive plan to make sure that we do not play deep end? Instead of just preventing what is happening we should actually move forward to make sure that this country is self-reliant and has enough food. This will ensure that we do not keep on asking for more or having high starvation levels.

Mr. Ndambuki: Mr. Speaker, Sir, I have already told the hon. Member what the Government has done, and the allocations to make sure that we are not affected as a country. There are many other projects going on, which are supposed to take care of the production of food in this country. For example, as I said we are expecting to import about three million bags of during July and August to ensure that we have enough for our people.

Mr. Bahari: Mr. Speaker, Sir, I wonder whether this Assistant Minister is serious, particularly on part "b" of the Question where he is saying that they have allocated Kshs68 million - a paltry Kshs68 million - to promote drought-resistant crops in arid and semi-arid areas. Is he

serious? A paltry Kshs68 million for a whole 80 per cent of the Republic of Kenya?

Mr. Ndambuki: Mr. Speaker, Sir, other Ministries are also doing some other things. I only spoke for the Ministry of Agriculture I referred to what it has put in place to make sure that semi-arid areas have food.

Mr. Farah: Mr. Speaker, Sir, the Question is very explicit! The maize is supported to be imported from, other among other countries, the USA. The USA is currently converting its own corn into bio-diesel. Even if we get three million bags we are to get them two times to three times what used to be in the market price. His Minister said that we have only 110,000 hectares under farming in the country, and that he intends to increase it to one million hectares. There are 900,000 plus hectares to be reclaimed from arid and semi-arid areas. Is he satisfied that Kshs68 million is sufficient to do irrigation and diversion of River Tana flood water to the arid and semi-arid areas, so that it can be used for irrigation?

(Applause)

Mr. Ndambuki: Mr. Speaker, Sir, when it comes to water harvesting, I did not say that the Ministry has allocated Kshs68 million. I said it is Kshs100 million, and this is just by the Ministry of Agriculture. There is the Ministry of Water and Irrigation, which also allocating funds for this purpose. So, I was only talking about the component of the Ministry of Agriculture.

Mr. Farah: On a point of order, Mr. Speaker, Sir. This is a very serious issue! It is about the feeding of Kenyans. Pretty soon, we are going to have riots in the streets of all the major cities and towns in this country, because of food shortages or food that is not affordable to the common Kenyan. Would I be in order to say that this particular Question should be taken to the Prime Minister's Office because it is an office that is cross-cutting?

The business of a Minister coming and saying that he can only talk for himself and not for the others is a very sad case for this Government. The Government has a collective responsibility! Would I be order to ask that this Question be deferred? Because of the need to have sufficient food for Kenyans, we are talking about one million hectares to be irrigated and farmed so as to satisfy our food needs--- He has talked of Kshs168 million from his Ministry and he does not know about the other Ministries. Would I be in order to ask that this Question be deferred to another day and let the Prime Minister deal with it?

(Applause)

Mr. Speaker: Order, hon. Members! Mr. Farah, you stood on a point of order and, as I followed the proceedings, the Assistant Minister was asked a question by you and he gave an answer. I would have expected that, in your point of order, you would indicate to what extent the Assistant Minister was out of order. What has he presented that is not in compliance with the rules of the House? Among other things, I anticipated, even as I listened, that you would say the Assistant Minister has given insufficient information, in which case you would have challenged him by saying that you had information which indicated something else. You have not done so!

Secondly, and significantly, the Chair has ruled - the Chair in which you share - that the Prime Minister will only answer those Questions which relate to more than one Ministry. As I see it, you have not satisfied the Chair that this Question traverses beyond the Ministry of Agriculture. So, to that extent, unless you have a supplementary question to interrogate the Assistant Minister further, I am not about to rule that this Question should be deferred.

(Mr. Farah stood up in his place)

Do you have a question for the Assistant Minister?

Mr. Farah: Yes, Mr. Speaker, Sir.

Mr. Speaker: Proceed and ask him!

Mr. Farah: Mr. Speaker, Sir, whereas I do not want to contest your ruling, but my assumption is that it is out of order for an Assistant Minister, who is bound by the collective responsibility principle, to give an insufficient answer to a Question and say that the other parts of that Question be dealt with by another Ministries? The Question is about food security for this country.

Having said that, and while respecting the ruling of the Chair and also being in conformity with its ruling, could he tell us, based on the principle of collective responsibility and the cumulative efforts being made by the different departments of the Government to ensure that we have food security through irrigation and other forms of agriculture, including livestock farming, what he intends to do to ensure that the one million hectares are put under irrigation, and that there are sufficient funds to do so? Could he ensure that the one million hectares will be productive for food production in order for Kenyans' food needs to be satisfied? He has said that only Kshs168 million is available for that purpose. I wonder how much that little money can do.

Mr. Ndambuki: Mr. Speaker, Sir, I can assure the House that the Government is doing all it can to ensure that no Kenyan goes without food.

This Question was directed at the Ministry of Agriculture. I was dealing with it in that Ministry. What I know from the Ministry of Water and Irrigation is that there are plans. It is true that the Ministry is looking forward to making sure that we have more acreage put under irrigation. With the budgetary allocation we have, we cannot do much. As I said, the Ministry is looking for money to make sure that we increase the number of hectares under irrigation in this country.

Mr. Baiya: Mr. Speaker, Sir, the Assistant Minister has assured this House that the Ministry is doing everything to ensure that there is food security in this country, particularly through importation of cereals. It is in the public domain that local farmers feel threatened, particularly by the importation of maize, wheat and rice.

It is also on record that wheat farmers in Narok, for instance, are already complaining that they are receiving very little from their wheat sales. What measures is the Ministry putting in place to ensure that local farmers are first and foremost very motivated, and not threatened by the importation of these commodities, so that they can continue supplying Kenyans with food?

Mr. Ndambuki: Mr. Speaker, Sir, the five million bags we are going to import is standard. Every month, we will import a certain number of bags as we wait to see how much maize the July-August harvest in Southern Rift Valley will yield. The five million bags will not be brought into the country at once so as to flood the market. Every month, we will bring in a certain amount of maize as we wait to see what our local harvest will be.

Mr. Abdirahman: Mr. Speaker, Sir, we are not very satisfied with the response by the Assistant Minister in relation to the amount of money allocated to ASAL areas for irrigation. Honestly, Kshs100 million for water harvesting and Kshs68 million for drought resistant crops is not sufficient enough. We have seen in the past over Kshs400 million allocated to a single water project in some parts of this country.

I would want to get from him a very concrete and detailed response as to how much money they will relocate, as a Ministry. Arid and Semi-Arid Land covers over 20 districts of this country. Could he tell us what he wants to do in relation to resource distribution in terms of equity.

Mr. Ndambuki: Mr. Speaker, Sir, the Kshs100 million I talked about will cater for all those districts the hon. Member is talking about. The only thing we are not satisfied with is the allocation that the Ministry gets. The Ministry needs more money to meet the needs of this nation. We were even not allocated what we required. The Kshs100 million I talked about is allocated to every district. For instance, I have list showing all the 58 districts getting a certain amount of

money. However, the amount for each district is so little that you cannot do anything much with it. So, I must tell hon. Members of this House that when it comes to debating the Vote for the Ministry of Agriculture, they discuss it appropriately. That will help us get more money, so that we can meet the needs of Kenyans.

Dr. Nuh: Mr. Speaker, Sir, I would seek your indulgence that this Question is cross-cutting. The first part of this Question is about agriculture. Part "b" of the Question is about making this nation food-secure as well as about ASAL regions. As we all understand, after the formation of the Grand Coalition Government, the Ministry of Northern Kenya and Other Arid Lands was formed. Even when the former Minister for Finance presented his Budget to this House, he indicated that this Ministry will have resources that are allocated in other Ministries. He said that this Ministry will be overseeing funds that are in the Votes of the Ministry of Agriculture, the Ministry of Livestock Development, and other Ministries, in ensuring that ASAL areas are well catered for.

I would seek that you that the answers given by the Assistant Minister are not sufficient. Even if the Minister for Northern Kenya and Other Arid Lands was told to answer this Question, he would still have to go to the Ministry of Agriculture and the Ministry of Livestock Development to get answers, because food security is not just about crops. It is about---

Mr. Speaker: Can you come to your Question, Dr. Nuh?

Dr. Nuh: Mr. Speaker, Sir, I would wish that this Question be deferred and have it answered by the Prime Minister.

(Applause)

Mr. Speaker: Order, hon. Members! As I understand, Dr. Nuh, you do not have a Question on this matter except seeking that it be deferred. You want it deferred so that it can be answered by the Prime Minister. The Chair has already ruled on the position with respect to the Prime Minister answering this Question, and the Chair will not re-visit that ruling.

Mr. Muriithi: Thank you, Mr. Speaker, Sir. I rise on a point of order regarding agriculture. All the Ministries dealing with food, namely, the Ministry of Livestock Development, the Ministry of Agriculture, and the Ministry of Water and Irrigation, got only 4.75 per cent of the total Budget. So, in terms of food production, it is very difficult. How will the Ministry of Agriculture continue promoting imports, so that the developed countries can continue subsidising their own farmers, instead of us subsidising our farmers, so that they can grow food? The money being used for imports could be used in this country for food subsidising our farmers. I would like them to get an assurance right from the Assistant Minister. Why would the Ministry continue importing, thus promoting subsidy of farmers in developed nations when we need that food grown in this country?

Mr. Ndambuki: Mr. Speaker, Sir, we have started doing so. The prices of the fertilizer that farmers are going to get in the next season will be controlled by the Government. That is one way of subsidising. We are also asking the Government to meet 40 per cent of the prices of fertilizers as the farmer meets 60 per cent of the cost.

Mr. Lekuton: Mr. Speaker, Sir, I appreciate the Assistant Minister's answer, although I am not very satisfied. What he has given here are preventive measures to make sure we do not die or starve. It is very dangerous when other governments are paying their farmers more money to produce bio-diesel plants. But here, it is only a matter of time before our farmers are also encouraged by other companies to grow bio-diesel plants and, all of a sudden, we face starvation! So, what is the Ministry doing to make sure that our farmers do not fall prey to those people who will tell them: "Grow this and I will pay you this amount of money!"

In addition, Mr. Speaker, Sir, could the Ministry guarantee that, next year, the northern Kenya population and the Arid and Semi-Arid Lands (ASALs) will be taken seriously? That is

because we want to be the part of the food basket of this country?

Mr. Ndambuki: Mr. Speaker, Sir, the hon. Member wants me to take northern Kenya population and ASALs seriously next year. I do not know! I am not the Minister for Finance! But the only thing I could say is that the Government has already created the Ministry of Development of Northern Kenya and other Arid Lands. We have also allocated quite a substantial amount of money to the North Eastern districts to cater for harvesting of water and, also, to promote the production of drought-tolerant traditional foods. That is going to take care of all ASALs.

Mr. Speaker: Next Question, Mr. Chanzu!

Question No.129

HARMONIZATION OF TEACHERS SALARIES

Mr. Chanzu asked the Minister for Education:-

- (a) whether he could confirm that the Government has not reviewed the terms of service for teachers in this country for over ten years;
- (b) whether he is further aware that, as a result of the big discrepancies in the salaries of teachers *vis a vis* those for mainstream Government employees, many teachers are moving to other sectors of employment and, thereby, impacting negatively on the teaching profession; and,
- (c) what plans he has to remedy the situation.

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

(a) I wish to confirm that the terms of service for teachers were last reviewed in 1997, which is more than ten years ago. Teachers were then awarded a 200 per cent salary increase which was phased. The last phase was implemented on 1st July, 2007.

*(The Prime Minister was applauded
as he entered the Chamber)*

(b) The disparities in the salaries of teachers *vis-a-vis* those for other Government employees is one contributing factor, amongst others, that causes the movement of teachers to other sectors. The fact that employers in other sectors are attracted to teachers is a strength and not a weakness of the teaching profession.

(c) The Ministry has constituted the Teachers Service Remuneration Committee to review teachers remuneration, and that process is ongoing. The teachers union has already presented their memorandum to that Committee. Teachers who transfer services to other sectors are replaced immediately they leave.

Thank you, Mr. Speaker, Sir.

Mr. Chanzu: Mr. Speaker, Sir, you have listened and heard my Question. You have also heard the answer that has been given by the Assistant Minister. I think there are two things here. Either the Assistant Minister misunderstood my Question or he is deliberately misleading the House because my Question was very specific. I had asked him to confirm whether the Government had reviewed the terms of service for teachers in the last ten years. He has given us a story of 1997 and the 200 per cent salary increase, when he knows very well the circumstances under which that increment took place.

Secondly, Mr. Speaker, Sir, I am not talking about the strengths and weaknesses. I am talking about the effects or the negative impact of the movement of teachers from the teaching profession.

The Assistant Minister cannot say that it is a plus when we have a shortfall of over 60,000

teachers in this country!

So, Mr. Speaker, Sir, I would like to request for your indulgence so that the Assistant Minister can actually address the Question that I had asked.

Mr. Speaker: Mr. Assistant Minister, could you answer the Question and try to be more focused? Be specific!

Mr. Mwatela: Mr. Speaker, Sir, I admitted that there has not been a review for the last ten years. Further, the Question specifically asked:-

"Whether he is further aware that as a result of the big discrepancies in the salaries of teachers *vis a vis* those for mainstream Government employees, many teachers are moving to other sectors of employment and thereby impacting negatively on the teaching profession."

The fact that other employers are attracted to the teachers is just a strength to the profession.

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. You have just heard the Assistant Minister twist the Question to suit his own answer! We are not talking about other employers poaching teachers! The teachers are moving out because they are having difficulties in their profession! For example, a teacher in Job Group "P" in the teaching profession earns Kshs30,000, while a civil servant in the same job group in the Government earns Kshs100,000! I want the Assistant Minister to tell us what he is doing to make sure that we do not have teachers moving out of the profession so that our children do not suffer?

Mr. Speaker: Order, hon. Members! Mr. Assistant Minister, will you, kindly, answer this Question directly. You have answered part "a" by saying that there has been no review over the past ten years. That is acceptable! With regard to part "b", you are expected to answer whether or not there has been movement of teachers from that profession to other departments of the Government or of the Republic and, if so, has it impacted negatively on the teaching profession? Be precise! Just answer the Question!

(Applause)

Mr. Mwatela: Mr. Speaker, Sir, I am not aware that teachers are moving!

Mr. Speaker: That is fine! Mr. Muturi Mwangi!

Mr. Muturi: Mr. Speaker, Sir, I am glad that you are trying to guide the Assistant Minister on how to answer Questions. He is taking a lot of our time! Is he not aware that there was an Harmonization Committee that was set up by the Government, so that it could bring the salaries of teachers and those of civil servants closer together? Why is it taking so much time? Mr. Assistant Minister, please, tell us what happened to the harmonization exercise and whether the Government is ready to look for a donor! Otherwise, you should defer the Question.

Mr. Mwatela: Mr. Speaker, Sir, I answered in part "c" that there is a Teachers Service Remuneration Committee which is, right now, working on the teachers' salaries. That is exactly what the hon. Member is asking about. That is exactly what is happening! We are trying to harmonize those salaries!

Mr. Farah: Mr. Speaker, Sir, I think it is time Ministers started taking their business seriously. The Assistant Minister has got an answer which was prepared by his office. Part "b" of the Questions says:-

"Is the Minister further aware that, as a result of the big discrepancies in the salaries of teachers *vis-a-vis* those of mainstream Government employees, many teachers are moving to other sectors of employment and thereby impacting negatively on the teaching profession". The answer which is typed here says: "The disparities in salaries of teachers *vis-a-vis* those of other mainstream Government

employees is one of the contributing factors, among others, that cause movement of teachers to other sectors". Yet, the Assistant Minister says he is not aware that teachers are moving to other sectors.

Mr. Speaker: Mr. Assistant Minister, could you respond to that point of order? It is a valid point of order.

Mr. Mwatela: Mr. Speaker, Sir, I just said that in a situation of this kind, people may want to seek employment elsewhere. We cannot stop teachers from seeking for greener pastures.

Mr. Ethuro: Mr. Speaker, Sir, all of us have been taught by teachers. The Assistant Minister is fully aware that those days when I used to go to school, teachers were trained at Kenyatta University (KU) for three years for a Bachelor of Arts or Bachelor of Science Degree.

The rest of us went to other universities and even to KU, and attained a bachelors degree in three years. But by the time teachers and other professionals are employed in the Government service, they will be employed at a lower job group than the other professionals. This is the issue. When will the Assistant Minister harmonise salaries for all the professionals in Government service, and particularly teachers?

Mr. Mwatela: Mr. Speaker, Sir, I better repeat that the process is ongoing. As we sit here in Parliament, there is a committee sitting.

Mr. Magerer: On a point of order, Mr. Speaker, Sir. Could the Minister confirm that the Early Childhood Development (ECD) as a department falls under the Ministry of Education? Two, if it is, then who has been taking care of the teachers who fall under that department?

Mr. Speaker: Order! With respect, Mr. Magerer, your two issues as raised are questions and not points of order. So, I will want you to look at your Standing Orders again and learn the difference between a Question, point of order and a Ministerial Statement, for that matter.

Mr. Chanzu: Mr. Speaker, Sir, I would like to say that the answer given by the Assistant Minister is only cosmetic. It is very sad that the Assistant Minister is being coached by his boss in this Chamber on how to answer the Question. We all know the problem of shortage of teachers in this country.

Mr. Speaker, Sir, in my own constituency, I have a shortage of teachers in primary schools. We even know it from their offices that we have a shortage of 60,000 teachers. Could the Assistant Minister assure this House that the Ministry is going to recruit teachers who have been trained over the last few years, so that we can reduce the current shortage of teachers in our schools?

Mr. Mwatela: Mr. Speaker, Sir, may I just say that shortage of teachers is not the same thing as harmonisation. I would like to enlighten my colleague that the shortage of teachers arises out of the introduction of free primary education and free secondary education.

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. I would like to say that this shortage is caused by teachers moving out because of poor pay. So, he should not tell us that the shortage is caused by the introduction of free primary education. That is an additional issue which can be addressed later. Is the Assistant Minister in order to mislead the House?

Mr. Speaker: Mr. Assistant Minister, could you proceed with your answer and in the process react to what has been raised?

Mr. Mwatela: Mr. Speaker, Sir, I would like to enlighten my colleague that the shortage of teachers in schools arises mainly out of the situation that befell the country after the introduction of free primary education. This is because there was an increase in the enrolment of students---

An hon. Member: You are misleading the House!

Mr. Mwatela: Mr. Speaker, Sir, I am not misleading anybody.

Mr. Speaker: Order! Please, hear the Assistant Minister!

Mr. Mwatela: Mr. Speaker, Sir, it is a fact that we suddenly had a higher enrolment of students than we had before. We also know that this country has not employed teachers for a long

time. The Government has systematically built up on these numbers. This year, we will employ an extra 8,000 teachers.

Mr. Speaker: Order, hon. Members! Question No.111 by Mr. Kioni is deferred to Tuesday, 22nd July, 2008. Mr. Kioni is out of the country on parliamentary business.

Question No.111

INVESTMENT OPPORTUNITIES IN KENYA

(Question deferred)

Mr. Speaker: Next Question, Mr. Mwaita!

Question No.163

CONSTRUCTION OF HOSTELS FOR
KABARNET MTC

Mr. Mwaita asked the Minister for Medical Services:-

- (a) whether he is aware that the construction of hostels for the Kabarnet Medical Training Centre stalled;
- (b) whether the project was included in the Government inventory of stalled projects in the country; and,
- (c) what steps he is taking to complete the project.

The Minister for Medical Services (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the construction of hostels for the Kabarnet Medical Training College stalled in 1997. This was because of lack of funds to complete the project.

(b) Yes, the project is included in the inventory of stalled projects which is managed by the Ministry of Public Works.

(c) My Ministry has been in constant consultations with the Ministry of Public Works that has been allocated funds for completion of stalled projects.

The construction of hostels for Kabarnet Medical Training College was supposed to be carried out from the second quarter of the financial year 2007/2008. Unfortunately, the tendering process was affected by the post-election violence. Following the return to normalcy, and I hope it is normalcy, the Ministry of Public Works has restarted the tendering process. Tenders for completion of this project will be advertised before the end of September, 2008.

Mr. Mwaita: Mr. Speaker, Sir, I wish to thank the Minister for the precise answer he has given. However, this project has stalled for 11 years. Could he give an assurance that the tendering process, now that we have normalcy, as he has put it, will be fast-tracked so that the project can be completed within this financial year?

Prof. Anyang'-Nyong'o: Thank you, Mr. Speaker, Sir. My Ministry is currently undertaking an audit of all the health facilities that exist, those under construction and those that have stalled. As I said, the process of tendering is under another Ministry called the Ministry of Public Works. However, we are working closely with the Ministry of Public Works because it is in our interest that, that tendering process proceeds with speed. Let me assure the hon. Member that the hon. Minister for Public Works is equally concerned that, that process should be completed as soon as possible.

Mr. Imanyara: Mr. Speaker, Sir, you heard the Minister say that the reason why the tendering process has began is because the country has returned to normalcy. Is the Minister telling this House that the country has returned to normalcy when we know that there are several thousands of Internally Displaced Persons (IDPs) in various parts of the country? If that is so, should that tendering process not await the settlement of IDPs, so that the country can truly return to normalcy?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, that indeed, is a "GI" question. The Government procedure must be assumed to be normal. Otherwise, Government processes would not proceed. Where the hon. Member believes that normalcy does not exist, that is a question to be put before another Ministry called the Ministry of State for Provincial Administration and Internal Security.

Mr. Mwaita: Mr. Speaker, Sir, I am satisfied with the answer.

Mr. Speaker: Order, hon. Members! The next Question by the hon. Member for Budalangi will be deferred to tomorrow morning. I direct that it be the first Question on the list in its class tomorrow morning.

Question No.159

REHABILITATION OF DYKES
IN BUDALANGI

(Question Deferred)

There are some hon. Members seeking Ministerial Statements!

Yes, Mr. Ethuro!

POINTS OF ORDER

DELAYED DISBURSEMENT OF CDF MONIES

Mr. Ethuro: Mr. Speaker, Sir, on 24th June, the Minister of State for Planning, National Development and Vision 2030 issued a statement of disbursement of CDF monies. One week later, on 1st July, 2008, I sought further clarifications on the basis that, that money had not been released. I would like the Minister, who is present, or the Vice-President and Minister for Home Affairs who promised to undertake, to inform this House on the status of the disbursement of CDF monies. We are talking about money for the last financial year.

Mr. Speaker, Sir, I am not asking for money for the current financial year. In his answer, he should be very categorical on whether the money is there and he is willing to allocate it to CDF. Otherwise, let him admit that the Government is broke, so that we can have sympathy.

Mr. Speaker: Mr. Minister, when will that statement be available?

The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030 (Mr. Kenneth): Mr. Speaker, Sir, I can actually answer it right away.

Mr. Speaker: Please, do it later. Maybe, tomorrow! Please do it tomorrow morning.
Mr. Yinda!

STRIKE BY RIFT VALLEY
RAILWAYS WORKERS

Mr. Yinda: Thank you, Mr. Speaker, Sir. I would like to seek clarification from the Minister for Transport with regard to the Rift Valley Railways Limited (RVR).

As I stand here, the staff of RVR are on strike. They have not been paid. I would like to know from the Minister whether RVR is still operational or whether it has bolted out. I would also like to know why the staff of RVR have not been paid and yet, the Managing Director earns Kshs7 million a month.

Mr. Speaker, Sir, I would also like the Minister to clarify whether RVR has breached the contract that it has with the Government. If that is the case, when will the Minister transfer the company back to Kenya Railways Corporation?

COMMUNICATION FROM THE CHAIR

PRIME MINISTER'S STATEMENT ON SALE OF GRAND REGENCY HOTEL

Mr. Speaker: Order, hon. Members! The Ministerial Statement relating to CDF funding will be forthcoming tomorrow afternoon. The Minister will be engaged elsewhere in the morning. I have the following communication from the Chair.

I wish to inform the House that I intend, this afternoon, to give the Right hon. Prime Minister time to issue a Ministerial Statement on matters relating to his portfolio as provided for in the National Accord and Reconciliation Act. However, before I do that, I would like to refer to the Constitution of Kenya Amendment Act No.1 of 2008, as to the definition of a Minister.

"A Minister, as defined in the Constitutional Amendment Act includes the President, the Vice-President, the Prime Minister, Deputy Prime Minister and other Ministers."

The Prime Minister has intimated to my office that the Statement he will be making basically relates to issues in the Ministry of Finance, Ministry of Lands, Office of the Attorney-General and the Kenya Anti-Corruption Commission which, I am informed, falls under the Ministry of Justice, National Cohesion and Constitutional Affairs.

As you are aware, hon. Members, the Standing Orders are being reviewed to provide for the Prime Minister's Question Time, among other things, and, indeed, allot more time for Ministerial Statements. Therefore, hon. Members, this opportunity given to the Prime Minister to issue a Ministerial Statement is given against that background, traditions and practices in other similar Commonwealth jurisdictions.

Hon. Prime Minister, you may proceed!

PRIME MINISTERIAL STATEMENT

CONTROVERSIAL SALE OF GRAND REGENCY HOTEL

The Prime Minister (Mr. Raila): Thank you, Mr. Speaker, Sir, for giving me an opportunity to make a Statement to the House. With your permission, Mr. Speaker, Sir, I wish to make a Statement about the controversy surrounding the sale of the Grand Regency Hotel. I have decided to make my first Prime Ministerial Statement on this subject in this House, as I am a fervent advocate and an admirer of parliamentary democracy. The media has a vital role to play, but there are some subjects for which I do not wish to inform the people of Kenya what I knew, when I knew and what I did through paid Press conferences or paid advertisements.

This House occupies a central role in the Kenyan politics and society in general. My loyalty is the supremacy of this Parliament other than any individual. This House has the power and responsibility to question how and when Government decisions are made, to ensure greater transparency and maintain high standards of financial probity. I value that very immensely.

With those few opening remarks, I wish to share the following sequence of events that will inform hon. Members of my role as the Prime Minister.

Mr. Speaker, Sir, On 23rd April, 2008, I received a call from the Governor of the Central Bank of Kenya (CBK), who told me that there was something that he wished to share with me, as the Prime Minister, concerning the adverse stories appearing in the media around that time. I met him in my office the same evening. The Governor presented to me an eight-page undated and unsigned typed document, which purported to give a background to the CBK's involvement with Mr. Kamlesh Pattni, and the case of the Grand Regency Hotel, in which the Bank had a charge over the land and buildings. I will be placing this document, and others in my possession, on the Table of this House.

Mr. Speaker, Sir, the document noted that the Bank had held a Board meeting on 7th April, 2008 to chart the way forward. It stated that the Libyan Government was very eager to have a foothold in the hotel industry, and that consultations had been ongoing at the highest levels of the two Governments, where it had been agreed that the Libyan investors be encouraged to purchase the Grand Regency Hotel when the opportunity arose. The investors had agreed to buy the Hotel as a going concern, and at the market value. The Governor told me that a deal had been concluded on 23rd March, 2008 with the Libyan investors, who had paid a 10 per cent of the purchase price of US\$45 million, but the deposit was not made until 8th May, 2008. That was the narrative according to the Governor of the CBK.

The Minister for Finance, on his part, on 29th April, 2008 told Parliament that the Hotel had not been sold. He informed the public that the Hotel would be sold through a public auction. This was the rapid rebuttal from the Minister of Finance. I then began reading in the media open contradictory statements from the Attorney-General, who said that he did not know anything. The Director of the Kenya Anti-Corruption Commission (KACC) said that they had repossessed the Hotel. Mr. Kamlesh Pattni said that he had handed over the Hotel and was given amnesty. There were several contradictory statements, which made the Government look very bad.

On 25th April, 2008, two days after my meeting with the Governor of CBK, I directed my Chief of Staff to write to the Director of KACC. In that letter, I requested information on the following: the status of the receivership account relating to the Hotel, the status of pending civil suits filed by the Commission against Mr. Kamlesh Pattni and his co-defendants, the surrender and transfer documents, the consent orders or extracted orders as might have been made, the counsel who had advised on and prepared the transaction documents, the breakdown of the transaction costs, how the transaction was being handled in the context of the Privatisation Act, and all other relevant documents, including correspondence exchanged over the transaction. The letter was copied to the Attorney-General, the Minister for Finance, the Governor of CBK and to the Head of the Public Service.

Mr. Speaker, Sir, on 12th June, 2008 I received a reply from the Director of KACC confirming that the Grand Regency Hotel had been received as recovered from Mr. Kamlesh Pattni's Uhuru Highway Development Limited and been handed over to the CBK. Attached to the letter was a copy of the court order issued under Civil Suit No.111 of 2003, instituted under the Anti-Corruption and Economic Crimes Act, showing that a settlement had been reached between the bank and Mr. Kamlesh Pattni regarding the handing over of the Grand Regency Hotel in exchange for the Bank's abandoning all claims against Mr. Kamlesh Pattni and all other defendants in the case. However, the KACC did not furnish me with all the documents as per my request

of 25th April, 2008. I was thus forwarded partial evidence but not all of it. So, I could not make an informed assessment. What precipitated my action to call a Cabinet Committee on Finance, Administration and Planning, was the Minister of Land's discovery that transfer of the ownership of the Hotel had been mysteriously effected on 25th June, 2008; he gave a Press briefing to that effect on the same day.

Mr. Speaker, Sir, on 27th June, 2008 the Minister for Finance, for the first time, acknowledged that, indeed, the Hotel had been sold. At a meeting held on 1st July, 2008 a Cabinet Committee constituted a technical sub-committee, with the mandate to collect and review all available documents and records relating to the sale of the Grand Regency Hotel. The sub-committee reported back on 1st July, 2008 and by that time, this House had carried the Motion of No Confidence in the Minister for Finance. The Committee's deliberations, observations and findings compelled them to make recommendations that the Minister for Finance and others be directed to step aside until in-depth investigation on the purported sale are carried out.

Mr. Speaker, Sir, I am pleased that the Minister for Finance has deemed it important to step aside. This is an honourable action, for which I commend him. It is not often that people take responsibility and agree to step aside. The action that the Minister has taken is an action which is precedent-setting. I wish to inform the House that investigations are going to be carried out thoroughly on this matter, and if the Minister is found to be innocent, appropriate action will be taken, both ways.

Let me, at this juncture, say that the Government values the Libyan investment, and that we have no quarrel with the Libyan Government. As I stated, the Libyan investors were willing to buy the Hotel as a going concern and to pay the market value. In fact, the Libyan investors are not only interested in hotel developments, but have also expressed interest in refinery, pipeline and other infrastructural projects. I wish to assure the Libyan investors that the Government is committed to resolving the sale of the Grand Regency Hotel in a transparent and mutually agreeable manner.

As this crisis was raging on, in the last two weeks, I also heard that some of our development partners were considering withdrawing financial support and development assistance. I wish to inform the House that yesterday I was phoned by the Deputy Head of the World Bank regarding a programme for the Northern Corridor development. The extension from Molo, through Kericho to Kisumu, was supposed to be put before the Board of Directors for the World Bank this week. He told me that because of the developments in the country right now, they were removing it from the agenda until the matter is settled.

The news headlines that Kenya was back to business as usual, where financial transparency and accountability are just meaningless words, may also have deterred potential investors from coming to Kenya. Well, my message to them is that this is a new Kenya, where people regardless of their status, are accountable for their action. Justice for all, but not the chosen few remains our motto.

Mr. Speaker, Sir, the establishment of good governance, that is the practice by the political leadership of accountability, transparency, openness, predictability and the rule of law is widely accepted as a critical element in securing stable economic development for market-oriented growth in our country. Governance is not necessarily limited to Government in which all public affairs are conducted, for instance, in the economic sector.

Good governance depends on the extent to which a Government is perceived and accepted by the general citizenry, to be legitimate and responsive to the needs of the citizenry; competent in ensuring law and order and in the delivery of public services and equitable in its conduct, favouring no special interests or groups. Achieving good governance and overcoming the practices of profligacy and corruption inherited from the past, is one of the most important challenges facing the country and our Government of the Grand Coalition.

But in facing these challenges, we must not be shackled by the fear of being perceived to be corrupt in pursuit of genuine opportunities to enhance our economic development. What do I mean by this? I mean that we must be transparent in whatever we are doing. Sometimes, somebody can be acting in very good faith and following transparent methods of doing business. He should not have any fear that he will be perceived to be corrupt.

Mr. Speaker, Sir, in conclusion, as I said sometimes last week, this Government will not condone any kind of act of corruption. I say this on authority of the Government; that from the President, the Prime Minister down to Assistant Ministers and clerks in the Government, nobody is indispensable.

(Applause)

Mr. Speaker, Sir, finally, I want to take this opportunity to thank the House for standing steadfast in being the watchdogs of the people of this country. It is the responsibility of Parliament to remain vigilant and act as the watchdog of the people.

Thank you very much, Mr. Speaker, Sir, for giving me the opportunity to address the House for the first time as the Prime Minister of the Republic of Kenya.

(Applause)

Mr. Speaker: Order, hon. Members! In view of the weight and importance of this matter to Kenyans, I will allow five clarifications. Hon. Prime Minister, please, take note of the clarifications that the hon. Members will seek and you will respond to all of them at once.

Yes, Dr. Khalwale!

Dr. Khalwale: Mr. Speaker, Sir, I would like to thank the Prime Minister and raise something that has not been mentioned all this time that we have been interrogating this issue. This is the trail of the money involved in this deal. In fact, exactly where this money is.

Mr. Speaker, Sir, probably the Prime Minister could confirm to this House and nation, whether or not at the height of the post-election violence 10 per cent of the Grand Regency Hotel payment was wired to an account in New York. Could he also tell us who is the holder of this account?

Mr. Speaker, Sir, I would like the Prime Minister to confirm whether or not subsequent payments were, indeed, paid to an account held at the NIC Bank in Nairobi. Who is or are the holders of this account?

Could he also compel the Governor of the Central Bank of Kenya (CBK) to bring to him documents relating to the account, including all the copies of cheques which were paid? Could he also table these particular documents and cheques?

Finally, I would request the Prime Minister, now that he is aware that Mr. Kimunya has done a most honourable thing by setting the best example of stepping aside, to enlighten this House, in view of the fact that Mr. Kimunya is on record as having said that he was not alone--- Mr. Kimunya said that if he had to go, the Attorney-General, Director of the Kenya Anti-Corruption Commission (KACC), Governor of CBK, Prof. Ndung'u, the Director of the National Security Intelligence Service (NSIS) and the Prime Minister himself, were to go. What is the position of the Prime Minister in terms of the need, or otherwise, of all these officers named by Mr. Kimunya, so that we get to the bottom of this issue?

Mr. Okemo: Mr. Speaker, Sir, thank you very much. Unfortunately, I think I missed the most interesting part of the debate. I was away on parliamentary business and came back yesterday.

I think what should be made important to the House is that the Committee on Finance, Planning and Trade has not concluded its investigations on this matter. So, as the Executive Arm of Government, led by the Prime Minister, continue to do their part, Parliament has to continue also to do its part. The function of the Executive arriving at the whole truth of this matter, must be completely divorced from our oversight role as Parliament. In fact, a lot of the information that Dr. Khalwale is mentioning will be subject of our transactions and deliberations. We will be summoning all these people before the Committee. We will also be presenting a report to the House, to conclude and even recommend the action contemplated.

Mr. Speaker, Sir, really what surprises me is that as much as people may say that Mr. Kimunya acted honourably, I am quite disappointed. This is because when he appeared before our Committee, he continued to tell us that the hotel had not been sold - and we have minutes of that - when, in fact, it had been sold. All these meetings were taking place in June. The transaction took place in May. I think from the point of view of Parliament, we must make sure that this issue is concluded and that in future, no Minister or member of the Executive arm of Government takes Parliament for granted.

Mr. Imanyara: Thank you, Mr. Speaker, Sir. I wish to congratulate the Prime Minister for this very first Prime Ministerial Statement that he has made. The assurance that we have been given is that the Government is going to investigate this matter. As Mr. Okemo said, this matter is before a Parliamentary Committee which is yet to complete its work. However, given the fact that it is the same arm of Government that has been responsible for hiding or suppressing information and for misleading Kenyans and this House, could the Prime Minister confirm that his investigation or the Executive arm's investigations will await the outcome of the investigation by Mr. Okemo's Committee? Better still, he could submit to a Select Committee comprising Members of Parliament from both sides of the House to fully investigate within a given time and report to the House before the Executive acts on the investigations the Prime Minister is referring to. We are worried that should investigations be carried out by the very same officers who have been misleading this House, then there would be no proper investigations.

Mr. Mbau: Thank you, Mr. Speaker, Sir. Of course, I also want to take this opportunity to thank the Prime Minister for doing that which many of us have considered to be his duties in this House. My small concern is whether the Prime Minister can also clarify clearly--- This is because I have listened very carefully to this matter which has been going on for a period of two months. Within this period there, surely, was in existence the Grand Coalition Government and Cabinet. Why did the Prime Minister not consider it worthwhile to share all those transactions and information with the Cabinet colleagues before this matter came to the fore.

I appreciate the fact that he is the one given the mandate to convene sub-committees of Cabinet and Cabinet meetings in consultation with the Head of State. That way, they would be able to share these matters in-house instead of washing their dirty linen, as Cabinet colleagues, in public. Could he also clarify why he could not do that before?

Mr. Speaker: Order, hon. Members! Before we close the clarifications, there is a matter which the Chair is very concerned about. I have noticed that two Members of the Cabinet serving in the Government are standing up to seek clarifications. I respect all of them, particularly, hon. ole Ntimama because he is a senior citizen of this country and, indeed, a senior hon. Member of this House. I also respect hon. Dalmas Otieno. However, the Chairman has a problem.

The Constitutional Amendment Act, 2008 vests certain powers and constitutional authority on the Prime Minister to co-ordinate among other things affairs of the Government inclusive of supervision of Ministers in the exercise of their functions. It is, therefore, the presumption of the Chair that the Prime Minister speaks for the Government which includes all other Ministers. The Statement to be issued by the Prime Minister, I believe, will be capturing the position of the

Government. So, if Ministers want to depart from the doctrine of collective responsibility, then the Chair, yes, will give that liberty for them to seek clarification. In that case, the Chair will increase the number of persons seeking clarification to seven. However, those who are Members of the Cabinet must bear that in mind.

I want to finish with hon. Cyrus Jirongo.

Mr. Jirongo: Mr. Speaker, Sir, the Prime Minister has clearly admitted that he had knowledge of this matter right from the 23rd April, 2008, when he was briefed by the Governor of the CBK. The Prime Minister is a Member of this House. On 29th April, 2008, hon. Amos Kimunya uttered falsehoods in this House and lied to this nation with full knowledge of the Prime Minister that the hotel had already been sold, according to the information provided to him by the Governor of CBK.

Mr. Speaker, Sir, I would want the Prime Minister to clarify to the nation that he was actually fully aware of the transaction as he has admitted in his Statement and that he failed as a Prime Minister to bring this matter to the Cabinet because he is charged with the responsibility of co-ordinating Government affairs. He needs to be leading by example and he should have been the first man to show that he is a man of high morals by stepping aside the way everybody has asked Mr. Kimunya to do.

Mr. Speaker: The nature of interest in this matter is such that we will have to allow some latitude. I will allow three more.

Mr. Musyimi!

Mr. Musyimi: Mr. Speaker, Sir, any Kenyan listening to the deliberations in this House will be left wondering whether the way the institutions of Government are designed is not a very confusing matter.

The struggle for a new Constitution has been with us for more than 20 years. As I listened to the Prime Minister and other people speaking, for example, Mr. Okemo and Mr. Speaker's concerns as well, I think it is of essence and highly crucial that we sort out this matter of the architecture of Government.

Let us act quickly so that we do not continue to confuse Kenyans. The matter beforehand is a crucial one and it is very difficult for Kenyans listening to know where to go. Do they go to the Prime Minister, the President, Mr. Okemo's Committee and so on? Who do they listen to? So, I hope that in the process of the debates that are before us today, we shall realise that there is need to bring this matter of the constitutional discussions to closure as a matter of urgency.

Mr. M'Mithiaru: Mr. Speaker, Sir, I want to thank the Prime Minister for the Statement that he has made with regard to the issue of the Grand Regency. I am a Committee Member of the Departmental Committee on Finance, Planning and Trade and I remember from mid May, all the way through the month of June, we started calling the Minister for Finance and the Governor of CBK.

However, the story we got is that there was no deal at all on Grand Regency. If anything, they were just fishing and they had not decided on anything at all. So, if the Minister has stepped aside voluntarily, I would actually request the Chair to recognise that, as a Committee, we were given information that was not truthful.

(Applause)

We wasted a lot of time for two months going through this process when he knew what had happened. We interviewed the Director of the Kenya Anti-Corruption Commission (KACC) and the Attorney-General. If the Minister for Finance has stepped aside, he should also apologise to the Departmental Committee on Finance, Planning and Trade.

(Applause)

Mr. Speaker: Last clarification, Mr. Farah!

Mr. Farah: Mr. Speaker, Sir, this is a very proud moment for hon. Members and the country at large. For the first time we have a system that works, and a Parliament that is essentially supreme in every sense of the word. The beauty of Parliamentary democracy is that the bulk of its work is done in Committees. We have Committees that are relevant to this issue. We have the authority and the power to summon everybody, including, in my opinion, the Prime Minister and the Vice-President. Let this Committee, first of all, as a Parliamentary Committee, with the authority of Parliament itself, do a very exhaustive work.

There is one other issue which Parliament needs to take note of. The Prime Minister of this country is able to defend himself on the Floor of the House. The Minister is able to defend himself on the Floor of the House, and so is the Attorney-General. There are civil servants and other people who do not have that chance or possibility of defending themselves on the Floor of the House. They cannot even go public because of the nature of their positions. My plea to the House, as a tradition and precedent, is that we spare people who do not have the capacity to defend themselves.

(Applause)

I have in mind the Director of the National Security Intelligence Service (NSIS), the Governor of the Central Bank (CBK), the development partners who have come here and who have not done any other crime other than seeking investment opportunities in this country, and as a way of giving us an easier access to development in this country, because they have a lot of capital. That is also going to free us from the shackles of such other development partners like the World Bank, the International Monetary Fund (IMF) and the rest of them who have colonised the Third World countries for ages. Let the Committee deal with the people who do not have the capacity or authority or the mandate to defend themselves, both inside the House and outside. Our security intelligence is a very sanctified institution in this country that we all need to have. It should be beyond reproach until such time that there is incontrovertible evidence for its officers to be victimized.

The same thing applies to the Governor of CBK and the people who come to invest in this country. Everybody else who is able to defend himself, of course, has that opportunity and Parliament has the role to censure them. That provision is in our own books. That is my plea to the House. Let us know one thing: It is a precedent being set. When you are setting a precedent, do not only look at the moment, the events of the moment. Look at this thing as being for posterity and the kind of Parliamentary democracy we want to develop for our scrutiny role.

The Assistant Minister for East African Community (Mr. Munya): On a point of order, Mr. Speaker, Sir. I am just confused as to what Mr. Deputy Speaker is asking the House to do. He says that we avoid investigating certain aspects of the issue, because those people mentioned have no opportunity to defend themselves on the Floor of the House. I thought the role of Parliament is to investigate everybody, whether hon. Members, investors or civil servants, to find out whether this transaction was done properly or not. When an hon. Member stands on the Floor to say that we have to spare certain people, under what Standing Order is he saying that?

(Applause)

(Mr. Farah stood up in his place)

Mr. Speaker: Order, hon. Members! I think this matter has to come to a rest. Mr. Munya is quite in order to inquire as to what clarification Mr. Farah was seeking, but I am sure Mr. Farah has been understood by the Prime Minister, and the Prime Minister will respond appropriately.

Significantly, perhaps, and which is important to be noted, the Committee of the House on Finance, Trade and Planning is investigating this matter.

It is the expectation of the House that the Committee will still proceed, complete its inquiry and table a report in this House for consideration, debate and adoption. I direct that the Committee completes its work, because of the urgency of this matter, within the next two weeks.

(Applause)

The Minister of State for National Heritage and Culture (Mr. ole Ntimama): On a point of order, Mr. Speaker, Sir. I did not really intend to break the rules governing me as a person on the Government side. But I really wanted to thank the Prime Minister for making this important statement after the whole country has been in total confusion. I think it was important! That is all I wanted to say.

Mr. Speaker: Order, Mr. ole Ntimama! You have many opportunities to thank the Prime Minister, but in this Session it was not time for you to thank him.

(Laughter)

You will have many other opportunities beginning from after the Right Hon. Prime Minister responds to the end of the matter in this House. You should do so appropriately at the right time!

The Minister of State for National Heritage and Culture (Mr. ole Ntimama): I agree, Mr. Speaker, Sir.

Mr. Speaker: I am also obliged!

The Assistant Minister for Water and Irrigation (Mr. Kiunjuri): On a point of order, Mr. Speaker, Sir. My point of order is also to seek clarification from the Chair, because the tradition of this House is that when an hon. Member rises for clarification on a statement made, they are not supposed to make their own statement or contribute to the debate. They should concentrate on the issue and seek clarification.

If I am not wrong, and the HANSARD can prove me right, half of the hon. Members who have stood up made their own statements and did not even seek clarification. This is what Mr. ole Ntimama stood up and did; he did not to seek clarification but made a statement. What is the position of the Chair?

*(Mr. ole Ntimama stood up
in his place)*

Mr. Speaker: Order, hon. Members! Order, Mr. ole Ntimama!

Let it be clear to the House and, indeed, the Chair has laboured to clarify this: Hon. Members are under duty to study, learn and understand Standing Orders. Indeed, the common sense of any given situation, when we talk about clarification, what hon. Members were expected to do was to ask for clarifications. They should seek to have matters, which are, otherwise, not sufficiently equivocal, clarified. Some hon. Members have not done so.

Indeed, the Chair has to extend indulgence on certain grounds. Sometimes the Chair will extend indulgence on grounds of age.

(Laughter)

(Applause)

Sometimes the Chair will extend indulgence in terms of party representation, diversity and regional balance of this country, and sometimes the Chair will extend indulgence on grounds of gender. So, hon. Members, please, bear in mind the fact that sometimes we give latitude to hon. Members when it is necessary. Indeed, whatever latitude the Chair has given this afternoon has been justifiable.

The Right Hon. Prime Minister, could you, please, respond?

Mr. Farah: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: What is it, Mr. Farah? It had better be a point of order!

Mr. Farah: Mr. Speaker, Sir, it is a point of order. Is it in order for Mr. Munya to mislead the House while I am here? I said "incontrovertible" evidence, through the Committee. When it is done on other people who cannot defend themselves is when you can bring it to the plenary. This is my position. It is good you understand the language very well.

(Laughter)

Mr. Speaker: Order, hon. Members! This matter has been sufficiently ruled on by the Chair. I did direct that the Departmental Committee on Finance, Planning and Trade proceeds and completes its investigation into this matter. Among other things, when investigating, the Committee will give a hearing to those persons who are not Members of Parliament.

The Right Hon. Prime Minister!

(Mr. Namwamba stood up in his place)

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

Mr. Namwamba: Mr. Speaker, Sir, in view of the grave nature of this matter; and further, in view of the very intimate interest that the Statement by the Prime Minister to this House has generated in both in this House and, I believe, countrywide; would I be in order to beg the indulgence of the Chair that, under Standing Order No.20, the Chair considers setting aside time tomorrow for the House to sufficiently ventilate on this matter further in the context of the Statement presented before this House by the Right Hon. Prime Minister before he is asked to reply?

Thank you.

Mr. Speaker: Hon. Members, the Chair appreciates the bid by the Member for Budalangi to invoke the provisions of Standing Order No.20. Indeed, Standing Order No.20, relates to situations where an adjournment may be sought to discuss a matter of urgent national importance. Indeed, this matter is of urgent national importance, save to say that the House is now preoccupied and in the midst of receiving and responding to the Ministerial Statement by the Right Hon. Prime Minister. Indeed, the Right Hon. Prime Minister has given his primary part of the Statement. What hon. Members are now doing is seeking clarification.

It is necessary that this exercise is completed. If you find it appropriate, hon. Members, you will be at liberty to invoke the provisions of Standing Order No.20 by furnishing the Chair with an appropriate Motion, which will then be moved. It is possible to adjourn the Business of the House to discuss this matter as a matter of national importance. However, you invoke the right procedure

as, indeed, I have intimated.

The Right Hon. Prime Minister!

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

Mr. Speaker: We will now hear the Prime Minister!

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I thank the hon. Members who have sought clarification. I wish to respond as follows.

Dr. Khalwale wants to know about the money that has been paid with regard to this transaction. He wants to know whether it was wired through a New York bank account, and to where. I am sure he was referring to the 10 per cent deposit. What I would like to inform him is that in international financial transactions, there are usually routings that are done. Money can originate straight from a bank account via New York to Kenya. This is not something very unusual. What we should be concerned with here is the substance. The information I have is that the 10 per cent deposit was finally received by the Central Bank of Kenya (CBK). The 90 per cent of the money was transferred to the lawyers' account, but has not been remitted to the CBK.

Mr. Speaker, Sir, Dr. Khalwale also asked about cheques which had been paid with regard to these transactions. I do not know what other cheques he may be referring to. With regard to this transaction, there were just two lumpsum payments, that is, the 10 per cent deposit and the 90 per cent balance payment. That is the situation as I have explained.

Mr. Kimunya had said that he would not go alone, and that he would rather die than go, but he has gone alone.

(Laughter)

An hon. Member: Is he alive?

The Prime Minister (Mr. Raila): Of course, he is still alive.

Mr. Speaker, Sir, the question asked by Mr. Jirongo is the same. He said that so-and-so also knew about the transaction because he was consulted, *et cetera*. As I said, I was consulted. I would like him to examine the documents and the evidence I have tabled. If, in his view, they warrant my resignation, I will do so.

Mr. Okemo has said that Parliament is seized of this matter. Mr. Imanyara said the same. The Speaker has actually made a substantive ruling on the matter, which is that the Departmental Committee on Finance, Planning and Trade proceeds and investigates the matter expeditiously.

Mr. Speaker, Sir, just like Parliament cannot be held hostage by the Executive, the Executive also has a responsibility to the people of this country to carry out investigations. I suppose when it comes to matters of investigations, the Executive has the better machinery to carry out investigations. This House has carried out several investigations. We have set up several select Committees to carry out investigations on several matters. For instance, there were the late J.M. Kariuki and the late Dr. Robert Ouko select Committees. Even the Goldenberg Scandal has been investigated several times by the Public Accounts Committee (PAC) and the Public Investments Committee (PIC). There are several PAC and PIC Reports tabled before this House, debated and adopted, which are just gathering dust in shelves.

Mr. Speaker, Sir, we have, therefore, reached a stage where Parliament and the Executive should work in tandem. That is when we can become effective. The past practice has been that a Report is brought before this House, debated and passed, and that is the end of it!

However, we have now shown, within the very short period of time, that we will handle this matter. We have shown that we are a different Executive. On the same day Parliament passed a resolution here, I received a report from a Committee I had set up only 24 hours earlier, with a similar recommendation that Mr. Kimunya step aside. There should be no suspicions!

Mr. Speaker, Sir, the Executive has failed to act. That is why Parliament has become the watchdog of the people, to hold the Government of the day on check. But Parliament should not try to do the work of the Executive, neither should the Executive try to interfere with the work of Parliament. If you agree and appreciate it that way, then we will have a Government of the people, by the people and for the people!

Mr. Speaker, Sir, hon. Mbau wanted to know why I did not share the information and why I did not convene the Cabinet. If he examines the documents that I have laid on the Table here, he will understand why. I have said that I was contacted by the Governor of the Central Bank of Kenya (CBK) on 23th--- On 25th, if you go and look at the newspaper headlines, there were statements saying that the hotel had not been sold and that it will be sold by public auction. When I saw that, I said: "But, what about the information that I have?" The story I have is that the deal has been concluded and the proceeds have been paid! So, I acted on the very same day. I wrote a letter to the Director of Kenya Anti-Corruption Commission (KACC) seeking the information that I have given to the House. That letter was not responded to until I eventually made an approach, again, personally. That is why it took such a long time. I wrote on 25th April and I received the reply on 12th June, by which time a Parliamentary Committee was already on the case. That is the reason why I withheld action. But then, again, there were so many contradicting statements. I convened the Cabinet Committee on Finance, Administration and Planning and set up a Sub-Committee to examine the documents that I had been given. That Sub-Committee made the recommendations which somebody leaked to the media.

So, Mr. Speaker, Sir, we did act. The role of the Prime Minister, as spelt out in the Constitution, is to co-ordinate and supervise the functions of the Government, including those of Ministries. We are doing that very effectively with a very skeleton staff. I wish to inform hon. Members here that through some assistance, we have managed to use some experts to come up with a structure of the Office of the Prime Minister and to create capacity in that office, so that it can be able to effectively discharge its responsibilities. We are soon going to be recruiting staff to that office. But, be that as it may, we have several other departments which have been transferred to the Office of the Prime Minister, including the Inspectorate of State Corporations, the Efficiency Monitoring Unit, the Directorate of Personnel Management and so on. So, we are having some staff to begin with.

Basically, Mr. Speaker, Sir, I conclude by, once again, giving an undertaking to hon. Members that we are going to carry out a very effective and extensive investigation of this matter, so that we can bring it to a speedy conclusion. Once we have finished that investigation, we shall bring a report to this House.

Thank you, Mr. Speaker, Sir.

Mr. Were: On a point of order, Mr. Speaker, Sir. While the matter is under investigation, the Prime Minister had appointed a Sub-Committee to do the exercise. Now that the former Minister for Finance has implicated several of them in that scam, would it be in order for the Sub-Committee to be changed, so that we can have people who have not been mentioned?

(Applause)

Mr. Speaker: Order, hon. Were!

(Laughter)

Although on the face of it, that is a legitimate concern but, as I heard the Prime Minister, and I will let the Prime Minister have his say on this issue, he said that the investigations being

carried out by the Executive are going to include consultation of experts in that area. But, Mr. Raila, you may add anything else that I did not hear.

The Prime Minister (Mr. Raila): Thank you, Mr. Speaker, Sir. You are very correct. What I said was that we set up an *ad hoc* Sub-Committee to examine the documents which had been submitted to us and to also carry out interviews of officials who had been mentioned at that time. That Sub-Committee did its work and gave a report to the main Cabinet Committee. So, the work of that *ad hoc* Committee is over!

From here, Mr. Speaker, Sir, we are now proceeding to carry out further investigations, and not just examine those documents. That is going to be done by experts, and not the people who had been mentioned. But the mentioning of the Attorney-General was that he also knew or was consulted. The Minister for Lands knew. There is, really, nothing to seriously implicate the Minister for Lands and the Attorney-General. I think the House is intelligent enough to understand the reasons for those allegations. I do not think that those reasons would warrant the resignation of the Minister for Lands or the Attorney-General. I think this House is much more intelligent than that.

COMMUNICATION FROM THE CHAIR

CARRYING OUT DEBATE OUTSIDE PARLIAMENT IS AGAINST STANDING ORDERS

Mr. Speaker: Order, hon. Members! As we move to close this matter for the moment, I want to take this opportunity to appeal to, and urge hon. Members that, in the light of the ruling which has been made by the Chair; that the Committee on Finance, Planning and Trade should continue its investigations into this matter, complete and compile a report for debate and adoption by the House; hon. Members should restrain themselves from commenting on this matter outside Parliament. I will, therefore, expect that comments which have been made in the recent past at funerals and home-coming parties will cease forthwith! Otherwise, the Chair will deal with that matter appropriately in the light of our Standing Orders and our Powers and Privileges Act. Please note!

(Applause)

Next Order!

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, there is just one point that I forgot to mention.

Mr. Speaker, Sir, you remember that there was a lot of pressure on me to issue a Press statement on this matter. But I restrained myself from doing that because I knew that this matter was before the House. There is a rule against carrying out a debate outside the House. Shall we all agree that we will conduct our business in the House and that, we will not go and carry out debate outside the House?

An hon. Member: Uhuru!

Mr. Speaker: Order, Right Honourable Prime Minister! Indeed, the Chair had that in mind in the Communication that I have just made. I, once again, reiterate that hon. Members must restrain themselves from taking this debate out of the House. Any breaches will be dealt with very firmly!

(Applause)

Hon. Okemo, for the Committee, you have a threshold of two weeks from today. But if you can do it earlier in view of the urgency of the matter, so much the better!

Mr. Okemo: On a point of order, Mr. Speaker, Sir. Would it be in order for me to suggest that, as part of the speeding up of the process, we invite the Right Honourable Prime Minister to the Committee, since he has more information than everybody else put together?

(Loud consultations)

Mr. Speaker: Order, hon. Okemo! Order, hon. Members! Order! That matter is best decided upon by the Committee in session and not by the whole House!

BILL

Second reading

THE NATIONAL ETHNIC AND RACE RELATIONS COMMISSION BILL

*(The Minister for Justice, National
Cohesion and Constitutional
Affairs on 1.7.2008)*

*(Resumption of Debate
interrupted on 3.7.2008)*

*(Several hon. Members started
withdrawing from the Chamber)*

Mr. Speaker: Order, hon. Members! We are now on Order No.7. Was anybody on the Floor on this Bill? Is there anybody interested to contribute? If you look at your Order Paper, we will continue with the debate on the National Ethnic and Race Relations Commission Bill. It is interesting that nobody is interested.

Where is the Mover; the Minister for Justice, National Cohesion and Constitutional Affairs? There are no more Members interested in this Bill.

Mr. Shakeel: On a point of order, Mr. Speaker, Sir. It is not that we are not interested. It is just the weight of the event that has just taken place has actually boggled us. I would like to say that we are interested in this Bill, but at this moment in time, we are overwhelmed!

(Laughter)

Mr. Speaker: Order, hon. Shakeel! It is expected that the House will proceed to conduct its business without emotion and take every business that comes before it seriously. Indeed, Order No.7 pertains to a Bill that will hereafter, if passed by this House, form part of the laws of this land. It is intended to regulate a very significant aspect of the lives of Kenyans and the manner in which Kenyans will conduct their business; and the manner in which Kenyans relate to each. So, this Order should not be demeaned in any manner, whatsoever. It is, therefore, my belief that, Mr.

Shakeel, you speak for yourself and not for the rest of the House!

Proceed, Mr. Assistant Minister!

The Assistant Minister for Justice, National Cohesion and Constitutional Affairs (Mr. Kipkorir): Mr. Speaker, Sir, we are all aware that after the December General Election, this country was faced with a serious political crisis---

Mr. Shakeel: On a point of order, Mr. Speaker, Sir. May I draw your attention to the fact that there is no quorum in the House?

Mr. Speaker: Are you sure?

Order hon. Members, I am informed that we have quorum. How many Members are there?

An hon. Member: 31 Members

Mr. Speaker: If it is 31, Mr. Shakeel, I am afraid you are extremely out of order. You may have to withdraw.

Mr. Shakeel: Mr. Speaker, Sir, I withdraw and apologise.

Mr. Speaker: Thank you. Otherwise, you would have enjoyed the distinction of being the first one that I order out. I will accept your apology. Please, acquaint yourself with the Standing Orders. If you stand on a point of order that is not a point of order, you are liable to be admonished by the Chair, including among other things, being sent out for the balance of the session for that day. Please, bear that in mind.

The Assistant Minister for Justice, National Cohesion and Constitutional Affairs (Mr. Kipkorir): Mr. Speaker, Sir, after the December last year's General Election, we are all aware that our country was faced with a serious political crisis. Innocent Kenyans lost their lives and property worth billions of shillings was destroyed and several Kenyans were displaced and became refugees in their country. Educational institutions were also deserted.

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Imanyara) took the Chair]*

After the National Accord was reached, the National Dialogue and Reconciliation Committee was formed to address the political crisis. The National Dialogue and Reconciliation Committee came up with a number of proposals on how to deal with this crisis in our country so that we do not in future find ourselves in a similar situation. So, lasting peace and co-existence between Kenyan people became a very serious item in the Committee. To cultivate goodwill among Kenyans and even for all Kenyans to access equal opportunities, the National Dialogue and Reconciliation Committee---

QUORUM

Mr. Kigen: On a point of order, Mr. Temporary Deputy Speaker. There is no quorum in the House.

The Temporary Deputy Speaker (Mr. Imanyara): Unfortunately, there is no quorum. Ring the Division Bell.

*(The Division Bell
was rung)*

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Order, Hon. Members! Unfortunately,

we are not able to raise quorum. The House is, therefore, adjourned until, tomorrow, 9th July, 2008 at 9.00 a.m.

The House rose at 5.05 p.m.