

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 23rd April, 1998.

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 Annual Report and Accounts of the Capital Markets Authority for the year ended 30th June, 1996, and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of the Investment Promotion Centre, for the year ended 30th June, 1996, and its certificate thereon, by the Auditor-General (Corporations).

The Annual Report and Accounts of the Kenya Accountants and Secretaries, National Examination Board for the year ended 30th June 1996 and the certificate thereon, by the Auditor-General (Corporations).

The Annual Report and Accounts of the Registration of Accountants Board, for the year ended 30th June, 1996 and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of the Certified Public Secretaries Board, for the year ended 30th June, 1996 and the certificate thereon, by the Auditor-General (Corporations).

The Insurance Annual Report for 1993

*(By the Assistant Minister for Finance (Mr. Keah)
on behalf of the Minister for Finance)*

ORAL ANSWERS TO QUESTIONS

Question No.030

ISSUANCE OF WORK PERMITS TO EXPATRIATES

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

(a) how many expatriates had been issued with work permits in the last three years, i.e. 1995, 1996 and 1997;

(b) what action he intended to take to ensure that work permits are issued when it is absolutely necessary.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I thank hon. Nyagah for asking this Question and beg to reply.

(a) In 1995, we had 731 work permits issued. Out of these, there are the short-term permits which are basically for six months or a year. They are normally given to some organizations which come for specific projects. For example, we have those doing the roads, or maybe, building universities. Then, we have the long-term ones which are mainly for the universities, international schools, banks and others.

In 1996, we had 703 work permits on short-term and 224 on long-term. In 1997, we had 484 for short-term, and 354 for long-term. I would also like to let the hon. Member know that in 1995 there were 328 permits which were phased out. In 1996 there were 413 work permits which were phased out, and in 1997, there were 415 which were also phased out.

(b) The Government is very concerned, that we should not give work permits where it is unnecessary, because, there are very many Kenyans who are unemployed and yet, there are certain jobs which they can do. Therefore, we insist that requests for work permits are carefully scrutinised. We have a steering committee which looks at all the applications. It has representatives from the Office of the President, Ministry of Labour, Ministry of

Foreign Affairs, the Immigration Department, Kenya Utalii College, the National Employment Bureau and the Directorate of Personnel Management.

Mr. Speaker, Sir, sometimes it is inevitable that---

Mr. Speaker: I am afraid, hon. Madoka, you are now taking too long! You have in fact, taken more time than that allocated to the Question.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, I was just giving extra information.

Mr. N. Nyagah: Mr. Speaker, Sir, you can see the gravity of the matter in this Question. The Government has promised that 500 jobs will be created for indigenous Kenyans. Now, the Minister says that they only give work permits to those important people, yet a company called Trackmac based at the Wilson Airport with offices in Lokichoggio, has a driver and a cook who are Europeans. That is not taking care of our Kenyans.

Mr. Speaker, Sir, secondly, there is a big cartel of pilots at Wilson Airport who are whites and yet our Kenyan Africans are not getting employed. What action does the Minister intend to take to ensure that our Kenyans get employment? We have 2.7 million Kenyans who have no jobs. Our tourism industry has dropped from 75 per cent to 30 per cent, leading to a loss of Kshs1.8 billion.

Mr. Speaker: Mr. Nyagah, you are also competing with Mr. Madoka in taking all the time!

Maj. Madoka: Mr. Speaker, Sir, when they come to this country and invest a lot of money they want us to give them extra work permits for their people, who work in their organisations. We have given those concessions.

Dr. Wako: Thank you very much, Mr. Speaker, Sir. This question of expatriates is painful in this country. There are quite a number of Asians who also come to this country, and are employed even in business shops as cashiers, or shopstewards when we have several Kenyans who can do the jobs. There are some teachers of Asian origin who came to this country to teach in secondary schools. We want to make sure that whenever the Government accepts any investment, it ensures that the people employed in it are not expatriates. Kenyans are qualified to do any job. So, we should bar all expatriates from working in Kenya.

Mr. Speaker: That is not a question. It is a speech.

Dr. Wako: No! Mr. Speaker, Sir, I was asking the Minister to tell us why these Asians and other expatriates are here in the country when Kenyans can do the jobs they are doing at the moment.

Maj. Madoka: Mr. Speaker, Sir, we do give work permits to some international schools and there are various categories of work permits which the Government gives to expatriates. We have Class "A" permits, which are issued to a number of expatriates. These are areas where we have direct employees of specific employers. Class "D" work permits are issued to holders of dependent passes, while Class "E" permits are issued to Missionaries. We also have Classes "H" and "I" permits, which are issued to self-employed people. So, there are different categories of work permits that the Government gives to the expatriates.

Mr. Sifuna: Mr. Speaker, Sir, the Minister has explained to us, the classes of permits the Government gives to the expatriates. Is it necessary for the Government to give work permits to expatriates to work in areas where Kenyans are already working? Examples are, the Pan African Secretariat, Undugu Society of Kenya IYCW, P.O. Box 46528, Nairobi. This organisation sacked Ms. Kioko who was their secretary in 1997 and replaced her with a Malian secretary. Why do you want to sack a Kenyan and then employ an expatriate?

Maj. Madoka: Mr. Speaker, Sir, the Kenyan Government is deeply concerned about this issue. If there are such sackings, they should be brought to our attention and we will see what action to take.

Mr. N. Nyagah: Recently, the Minister said that he was very concerned about the issuance of work permits. He is a most unhappy Government Minister. From the answers that he is giving here what he means does not come out quite clearly. I want the Ministry to investigate an organisation called Trackmac. It is an airline company that is supposed to be a relief company, and operates in Sudan. What does it take there? Look at the work permits for such organisations and cancel them. This company is taking certain things to Sudan. I know many pilots who work for the airline.

Maj. Madoka: Thank you Mr. Speaker, Sir. We will certainly investigate those companies. I would appreciate any more information which will help us curb such activities.

Question No.036

ALLOCATION OF LAND AT RIBE-KIKOMANI

Mr. Maitha asked the Minister for Lands and Settlement:

(a) why the land at Ribe-Kikomani owned by Ribe Property Committee was adjudicated and allocated without the Committee's approval; and,

(b) whether the Minister would nullify the allocations to enable the Committee to allocate the land to genuine residents.

The Assistant Minister for Lands and Settlement (Mr. Leting): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware of the land known as Ribe-Kikomani owned by Ribe Property Committee, which was adjudicated and allocated without the Committee's approval.

(b) Arising from (a) above, there are no allocations to be nullified.

Mr. Maitha: Mr. Speaker, Sir, following the answer which the Assistant Minister has given, I beg to table in this House letters confirming that the Government actually sub-divided land which belongs to Ribe Property Committee. This land was used to settle slaves. Later, and it was returned to the Ribe people. But the Government encroached on it. It adjudicated it without even consulting the owners.

There are many cases where the Ministry has been unable to give people certificates of ownership. I have a letter from the former Kilifi District Commissioner (DC), Mr. Paul. He wrote to the Ribe Land Committee in 1956. He said that the land belonged to the Committee. I also have here a letter of 1955 by which the Committee asked for the land and Mr. Paul gave it to them. I have a memorandum by the Ribe Community Committee to the President. It confirmed that the land belonged to them.

(Mr. Maitha laid the documents on the Table)

There are many cases where the Ministry has not given title deeds for the Ribe-Kikomani land.

Mr. Leting: Mr. Speaker, Sir, according to my records, there is no land adjudication section by the name Ribe-Kikomani in Kilifi District. However, there is a section known as Kikomani-Makombeni, which may be the one the hon. Member is referring to. This section was adjudicated according to the provisions of the Land Adjudication Act, Cap 284, of the laws of Kenya. The exercise was carried out in consultation with the Local Elders Committee as required by the law. The section was declared an adjudication area on July, 26th, 1994. After demarcation was completed, the adjudication registers were published.

Mr. Maitha: On a point of order, Mr. Speaker, Sir. The Assistant Minister has admitted that he is not aware of my Question. I do not know which Question he is answering.

Mr. Speaker: Mr. Leting, you said that you are not aware of this area!

Mr. Leting: Mr. Speaker, Sir, I am---

Mr. Speaker: Order! Order, Mr. Leting! You have said that you are not aware of Ribe-Kikomani area, but Mr. Maitha has also tabled some documents in this House. Will it not help you, if you look at those documents? May be I can give you time to do that.

Mr. Leting: Mr. Speaker, Sir, I was giving information on what is in my records, but I have said that I am not aware of the Ribe-Kikomani land.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. First of all, hon. Leting is a new Member in this House. But he is a very senior citizen having been the Head of the Public Service. I have known him since the days of Makerere.

Mr. Speaker: What is your point of order?

Mr. Anyona: I am coming to the point of order! On that account, he may be forgiven or not forgiven. Is he in order, having denied the existence of the land that was raised in the Question, to continue to answer a non-existence question before the House?

Mr. Speaker: Well, I suppose, hon. Anyona, if you listened to him very carefully, he said that there may not be an area called Ribe- Kikomani, but there is another area known by a different name.

An hon. Member: But that is not the question!

Mr. Speaker: Order! One thing that I can never be forced to do is to force a Member to say what he does not know. If I know hon. Anyona by the name George, and somebody tells me that this man is called Anyona; and to the best of my knowledge he is not called Anyona but George, I will deny that he is Anyona and say he is George. That is the position. So, can we hear from hon. Leting?

Mr. Leting: Thank you, Mr. Speaker, Sir. I was trying to explain more, thinking that it could be the same place. This is because the two adjudication areas that we have, between me and the hon. Member, have one name in common. They both have Kikomani. We only differ where he has the name Ribe, and I have Makomeni.

Mr. Sifuna: On a point of order, Mr. Speaker, Sir. In view of the fact that, maybe the Assistant Minister is confusing the two issues, could he go back and look at the documents that hon. Maitha has laid before the House, and come back with a proper answer, rather than fumbling around with the reports that he has?

Mr. Leting: Mr. Speaker, Sir, I have gone through the records and there is no adjudication area by the name Ribe-Kikomani. So, there is no need to go back and check.

Mr. Imanyara: Order, Mr. Speaker, Sir!

Mr. Speaker: Order, Mr. Speaker? Who is ordering the Speaker!

(Laughter)

What is it, hon. Imanyara?

Mr. Imanyara: Mr. Speaker, Sir, you have advised the Assistant Minister to look at the documents laid before the House. Is he in order to ignore your advice and continue to deny that those documents that have been laid before the House by hon. Maitha do not relate to the land?

Mr. Speaker: That was a friendly advice actually. There is a difference between an advise from the Chair and an order. When you are given an order, you must comply. But you may choose to take an advice or not. So, hon. Leting, would you like to take my advice or ignore it totally?

Mr. Leting: I will take your advice, Mr. Speaker, Sir.

Mr. Speaker: Very well. I will allow him to look at the documents, and maybe go back to the Question again next week.

Next Question!

Question No.004

COST OF ERADICATING WATER HYACINTH

Mr. Onyango asked the Minister for Natural Resources:-

(a) what the actual expenditure on eradication of water hyacinth from Lake Victoria was; and,

(b) what future plans the Government had to ensure that the weed is completely eradicated.

The Assistant Minister for Natural Resources (Mr. Lengees): Mr. Speaker, Sir, I beg to reply.

(a) It is difficult to accurately estimate the amount of funds required to effectively control the weed in Lake Victoria. This is because many factors contribute to the rapid growth of water hyacinth. In order to effectively control the weed, all these factors must be addressed. It is important to know that it is not possible to completely eradicate the weed from Lake Victoria, but it can be kept under manageable levels.

However, the total allocation for water hyacinth control under the Lake Victoria Project is US\$2.8 million, over a period of five years. This money has been directly allocated to the Kenya Agricultural Research Institute (KARI) by the Treasury.

In the current Financial Year, K£2,316,305 is allocated for water hyacinth control activities, out of which KARI has spent Kshs8 million on biological and manual removal, and cases involving rearing and releasing of weevils into the Lake and purchase of hand tools for use by communities living along the Lake.

(b) The Ministry, through the Lake Victoria Environmental Management Project, in collaboration with related Ministries, has already put in place implementation activities which will control effluence from municipalities and industries in the catchment area which has the main sources of pollution.

The Ministry is also working closely with the KARI to directly control the spread of the weed through the use of biological control methods and physical removal.

Mr. Onyango: Mr. Speaker, Sir, could the Assistant Minister explain properly how the Kshs8 million was used? As far as I am concerned, nothing so far has been done, that should warrant the use of the said money.

Mr. Lengees: Mr. Speaker, Sir, I cannot give the breakdown of how the K£8 million was used. What I know is that some hand tools were purchased and weevils were bought from South Africa. We had no weevils in Kenya. Although I cannot analyse the expenditure properly, I think that is how the money was spent.

Mr. Anyona: Mr. Speaker, Sir, it is clearly unsatisfactory for the Assistant Minister to tell the House that some Kshs8 million was spent, and not be able to tell us what the money was used for. That merely amounts to no answer. But in any case, I would like the Assistant Minister to give us the answer to the following: Yesterday morning, there was a news item on the Kenya Broadcasting Corporation (KBC) about the World Bank withholding money to fight this problem, because of tender problems. Can he tell us, as part of future plans to

deal with this menace, why the World Bank is withholding the money? What is wrong with the tendering process and who is involved? What has happened?

Mr. Lengees: Mr. Speaker, Sir, I cannot answer properly on the tendering system.

Mr. Kajwang': On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to come and tell us that he cannot answer the supplementary question properly?

(Laughter)

Mr. Lengees: I did not say that I cannot answer the question properly. But this is a supplementary question and the answer is not available. But I can give an insight into how the tenders were awarded. On 7th November last year, a tender for water hyacinth harvester was advertised in the *Kenya Times* and the *Daily Nation*, as requested by the Government of Kenya, under the World Bank procurement procedures. The tender was also advertised internationally, in the *Development Business Magazine*, published by the United Nations during the same period. In December, 1997, a meeting was held at the Nyanza Provincial Commissioner's Conference Room, Kisumu, to clarify any issues on the bidden documents, and answer questions from the bidders.

The bidders were also taken to the site in Kisumu to appreciate the magnitude of the water hyacinth problem. On 5th January, 1998, the tender was closed and the bids were opened the same day in a meeting attended by ten representatives or bidders. During the meeting, the tender documents were checked to ascertain conformity with the requirements, and the offer by each bidder was announced. Out of 39 companies which had earlier shown interest, only 16 companies responded. On the 28th January, 1998, a Technical Evaluation Committee was appointed by the Ministry of Natural Resources and endorsed by the World Bank. On 7th up to 22nd February, the Technical Evaluation Committee evaluated the bids and submitted its report to the Ministerial Tender Board for adjudication. On the 9th March, 1998, the Ministerial Tender Board deliberated on the evaluation report and made recommendations to the Central Tender Board for adjudication. On 19th March this year, the Central Tender Board, of which the Ministry of Natural Resources is not a member, deliberated on the tender and made recommendations on the awarding of the tender. On 25th March, communication from the Central Tender Board of award of the contract was communicated to the World Bank. On 3rd April, a copy of confirmed Minutes of Central Tender Board---

Mr. Speaker: I think you are taking too much time. I think the supplementary question was very clear. Was the tender not given because of non-compliance with the conditions of the World Bank? That is the simple question! Is the answer yes or no?

Mr. Lengees: Yes, Mr. Speaker, Sir.

Prof. Anyang'-Nyong'o: On a point, of order, Mr. Speaker, Sir. Is the Assistant Minister in order not to answer the second part of hon. Onyango's Question which states clearly: "What future plans does the Government have to ensure that the weed is completely eradicated", and which touches on the issue of the award of the tender? The Assistant Minister is definitely aware that the Central Tender Board (CTB) has awarded a tender to an Israel firm, contrary to the conditions that were laid down by the Technical Committee, as to which firm should get the tender. The Ministry is being controlled by some upper powers to award this tender to a company which is not qualified to get this tender.

Mr. Lengees: Mr. Speaker, Sir, I have just given the information that, on 23rd April, the Evaluation Committee made clear the issues which were raised and submitted to the World Bank. The Ministry is still waiting for communication from the World Bank before it can enter into a contract with the successful bidder.

Mr. Onyango: Mr. Speaker, Sir, just two days ago, I was with an official from the World Bank and he said that the amount of money that will be used to remove water hyacinth from Lake Victoria cannot total up to half a million. Can the Assistant Minister deny or confirm that Kshs.8 million has been taken by some people who are politically correct?

Mr. Lengees: Mr. Speaker, Sir, I cannot confirm.

The Member for Rongo (Mr. Ochilo): Mr. Speaker, Sir, recently we spoke to an officer from the World Bank and he confirmed to us that there is actually US\$2.8 million that is being reserved for removing the weed from the Lake. Can the Assistant Minister inform the House the contribution the Government intends to make, because the US\$2.8 million that is available is money that has been brought to this country by the World Bank?

Mr. Lengees: Mr. Speaker, Sir, the US\$2.8 million given by the World Bank has been spread over five years. The Kenyan Government has also contributed some money.

Mr. Anyona: Mr. Speaker, Sir, you are very patient to listen to my friend fumbling here. The water hyacinth problem is one of the most serious problems the country is facing. This is something that threatens to kill

the entire Lake, and this Parliament cannot deal with an issue like this in this manner. Is it not right that this Assistant Minister should go back and investigate the matter and come back with a proper answer? We hear that the whole thing is riddled with corruption and the award of the tender has been influenced. In order to maintain the integrity of this House, the Assistant Minister should bring to this House proper answers. **Mr. Lengees:** Mr. Speaker, Sir, I cannot confirm anything. It might be a rumour that somebody is trying to take some of this money.

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to shy away from hon. Anyona's request? All the House is asking, if indeed, the Assistant Minister is being transparent, is for him to come to the House and lay the relevant documents regarding this tender on the Table like hon. Nyachae did the other day. I have had communication with the World Bank over this issue, and if I had known that this Question was coming here today, I would have brought some of those documents.

Mr. Lengees: As I said before, the CTB has submitted all the issues, that were raised, to the World Bank and so the Ministry is still waiting for communication. There is nothing that has been finalised so that we can know whether the tendering system was corrupt or not.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Assistant Minister to refuse very good advice from hon. Members of this House? He should do more homework and come back with better answers.

Mr. Lengees: Mr. Speaker, Sir, that is a straight forward answer.

Dr. Wako: On a point of order, Mr. Speaker, Sir. I think the Assistant Minister is in order. He has just said that the Ministry has not received any communication from the World Bank.

(Hon. Kapten stood up in his place)

If hon. Members have received any information from the World Bank, which the Ministry has not received, then they should tell us. Probably, the World Bank has its own company which it would like to award the tender and we are not aware.

Mr. Speaker: Order! Order, all of you! For the benefit of new Members, and that excludes Mr. Kapten, when a Member is on a point of order, another Member cannot interrupt him on another point of order. He must be listened to in silence and, Mr. Kapten, that goes directly to you. Will you observe that!

Mr. Kapten: On a point of order, Mr. Speaker, Sir. I thought the Question was being answered by the Assistant Minister and I am wondering why hon. Wako has just risen to answer it. Is it in order for a back-bencher to answer a Question on behalf of an Assistant Minister?

(Laughter)

Mr. Sambu: On a point of order, Mr. Speaker, Sir. Apparently, a document was sent from the CTB to the World Bank. Prof. Anyang'-Nyong'o said he was served with the document and he also demanded it to be tabled here. The Assistant Minister did not commit himself to lay it on the table so that we can see what was submitted to the World Bank from the CTB.

Mr. Speaker: Order! Actually, you have no point of order. We will move now on to Mr. Murungi's Question.

Question No.017

NON-PAYMENT OF ALLOWANCES TO COUNCILLORS

Mr. Murungi asked the Minister for Local Authorities:-

- (a) whether he was aware that councillors of Meru County Council have not been paid their allowances since they were elected in December, 1997; and,
- (b) what urgent measures he was taking to ensure that the said councillors and all councillors countrywide, who have not been paid their allowances, are paid promptly.

The Minister for Local Authorities (Prof. Onger): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Meru County Council councillors have not received their allowances since they were elected.

- (b) The current position is that allowances for January and February, 1998, amounting to Kshs785,400

have not been paid. The Council has now prepared cheques of an amount of Kshs515,000, being payment for March 1998 and part of the arrears for January and February, which are now ready for collection by the Councillors.

(c) I have already sent a circular to all councils instructing them to pay allowances for councillors with effect from 1st January 1998. Payments of these allowances will, however, depend on individual council's financial ability to pay. In order for the councils to meet this challenge and, indeed, other financial obligations, I have instructed them to maximise revenue collections for more sources within their areas of jurisdiction.

Mr. Murungi: Mr. Speaker, Sir, the Minister is doing a good job. I have seen new flowers being planted in Nairobi. But I am disappointed by the answer given by the Minister because it seems to confirm our suspicion that there is a conspiracy to kill local authorities in this country by the Central Government. Just before the elections last year, the Minister, without consulting the local authorities, increased the total number of councillors by more than one-third. The Minister cannot now wash his hands and ask local authorities to generate money to pay councillors whose appointment he is responsible for. Can he confirm to this House, that just as he participated in increasing the number of councillors for Meru County Council and other councils in the Republic, he is also going to participate in the generation of revenue and issuance of grants so that they can pay those additional councillors?

Prof. Onger: Mr. Speaker, Sir, hon. Murungi knows very well that even within this year's Supplementary Estimates, there is no provision for the councillors to be paid salaries directly from the Consolidated Fund. Therefore, the position still remains; that they must be able to generate their own revenue to be able to pay themselves regardless of the number of councillors that they may wish to have in any given council.

Dr. Kituyi: Mr. Speaker, Sir, arising from the hon. Minister's original reply, if he has no competence to avail financial resources to local authorities which have been unable to pay councillors their allowances; and he has no intention of giving any support whatsoever, how does he purport to be writing instructions that councillors should be paid?

Prof. Onger: Mr. Speaker, Sir, hon. Kituyi knows very well that all councils, by law, in accordance with Cap.265, are expected to send in their financial statements showing income and expenditure. They, indeed, do so at the beginning of every Financial Year. From within those provisions, they are able to indicate that they are able to meet the salaries and the allowances of councillors. If any given council has not been able to meet these obligations, then surely there is something wrong and we will be able to take immediate action.

Mr. Kapten: Mr. Speaker, Sir, the councillors were not created by councils. It was an act of the Minister which created more wards in various parts of the country. How does he expect the councils to generate more money to pay the councillors without a grant from the Central Government? If the Central Government does not have money, why did the Minister create more wards?

Prof. Onger: Mr. Speaker, Sir, the act of creating more wards is not an act of the Minister. It is an act of a Commission which is normally constituted to establish the validity and essence of creating more civic wards in any given locality. Therefore, you cannot shift this responsibility to the Minister. The Minister merely administers the act as presented in this House, fully discussed and agreed upon. Regardless of the station of the arguments that the hon. Members raise, I may add that the Central Government does indeed,---

Mr. Anyona: On a point of order, Mr. Speaker, Sir. The Minister, of course, is not new to this House. Is he in order to mislead the House by saying that it is the Electoral Commission which is responsible for creating new wards, when in fact, it is the Minister? The recommendations by the IPPG are that this responsibility should be transferred to the Electoral Commission but that has not happened yet. So, the wards, as they are now, are a creation of the Minister. Is he in order to mislead the House?

Prof. Onger: Mr. Speaker, Sir, I am very well within my statements. I did not refer to the Electoral Commission. I referred to the Commission of Local Authorities. Every time there is a creation of new wards we do create a commission that goes around to establish those wards. Therefore, it is not an act of the Minister.

Mr. Ndicho: Mr. Speaker, Sir, is the Minister aware that due to the fact that councillors have not received their January, February and March allowances, most of them in many local authorities have resorted to dipping their hands into the councils' finances? For example, in Thika, the councillors had to spend Kshs379,000 to fill one pothole on one of the roads in Thika. But in actual sense, they spent only Kshs79,000 and shared the remaining Kshs300,000 among themselves. The Mayor of Thika has received Kshs65,000 as his membership fee at the Thika Sports Club. When the money was sent there, he went there to get it, so that he could supplement his earnings. What is happening in Thika is also happening in Nairobi, Mombasa, Kisumu and elsewhere. What measures will the Minister take to ensure that the council's money that has been misappropriated will be recovered? I know that the Minister has received our documents about that.

Prof. Ongeri: Mr. Speaker, Sir, I think the question by hon. Ndicho is academic. However, I am aware of the situation that he has just enunciated. Indeed, yesterday, I did sign a Gazette notice, appointing two officers to investigate Thika Municipality.

The Member for Maragua (Mr. Kamande): Thank you, Mr. Speaker, Sir, for recognizing me at long last. My name is Kamande wa Mwangi from Maragua Constituency.

Mr. Speaker, Sir, the Minister has just informed this House that local authorities are responsible for the payment of the salaries of councillors and not the Central Government. Maragua County Council workers went on strike last month and the Minister did not act on that. The workers were striking against the Town Clerk who was stealing money. We fail to understand why the Central Government cannot protect monies belonging to the local authorities and yet they are supposed to pay the councillors. I think the Central Government should pay the councillors.

Prof. Ongeri: Mr. Speaker, Sir, the hon. Member knows too well that it was only yesterday that he walked across to this side of the House to hand to me the complaints of Maragua County Council. He can hardly expect a miracle until we have been able to study the situation.

Mr. Murungi: Mr. Speaker, Sir, it is possible that there will be county councils in this country which will not be able to pay their councillors. What will be the fate of those county councils and other local authorities, given the formula which you have given, that they have to rely on their own resources?

Prof. Ongeri: Mr. Speaker, Sir, I will hold a meeting with all the chairmen and mayors of our local authorities next week, together with all the chairmen of the finance committees and planning committees. One of the issues I intend to raise with them is the ability to sustain their expenses within their resources. We have been able to provide guidance through the by-laws which are gazetted by the Minister for Local Authorities, indicating sources where they should be able to raise their additional resources to meet this expenditure. This does not mean, however, that the Central Government does not contribute at all to the welfare and sustenance of the infrastructure of local authorities. Indeed, my Ministry is currently involved in very expansive programmes of rehabilitating the infrastructure, which to me, is a major expense which is necessary and important for infrastructural development activities.

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

Mr. Speaker: What is it?

Mr. Murungi: Mr. Speaker, Sir, the hon. Minister did not answer my question. He just told us what he is doing but did not answer the question which is: What will be the fate of a county council which cannot afford to pay its councillors? Can the hon. Minister answer the Question directly?

Prof. Ongeri: Mr. Speaker, Sir, that issue is extremely hypothetical because, before a county council is established, the first thing that must be established is the ability of that council to meet its own recurrent expenditures.

Question No.021

DESTRUCTION OF FOOT BRIDGES IN KIBERA ESTATE

Mr. Speaker: Very well. Hon. Members, hon. Raila Odinga's Question is deferred to Thursday next week.

(Question deferred)

MINISTERIAL STATEMENTS

NURSES STRIKE

The Minister for Health (Mr. Kalweo): Mr. Speaker, Sir, I rise to give a Ministerial Statement. Hon. Members will recall that on 27th November 1997, nurses and laboratory staff went on strike demanding better terms and conditions of service. Their demands included a salary increment of between 200 - 500 per cent and enhancement of existing allowances as well as an introduction of a new---

(Several Members stood up in their places)

Mr. Speaker: Order! Order! What is it?

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

Mr. Speaker: Yes!

Mr. Michuki: Is it in order for the hon. Minister to pronounce the word "Ministerial" as "mysterious"?

(Laughter)

The Minister for Health (Mr. Kalweo): Mr. Speaker, Sir, hon. Michuki has raised that point of order because he was not attentive when I started making the Statement. He was just talking to colleagues.

The demands for enhancement of salaries and allowances were highly publicised in the media even though nurses and laboratory staff had made other demands such as improvement of the quality of health care in our medical institutions, administrative matters such as Schemes of Service, promotions, streamlining of training procedures and financial management, among other issues.

Mr. Speaker, Sir, it will also be recalled that I, together my senior medical officers, met the representatives of the striking employees on 16th and 19th January, 1998, thus initiating appropriate dialogue to attend to their grievances which they had raised. In this regard, the Ministry undertook to look into the demands, most of which were of administrative nature and did not have significant financial implications. Hon. Members will also recall that the nurses and laboratory staff on their part agreed to give the new team in Afya House more time to resolve their grievances. They, therefore, resumed work in their respective stations on 23rd January, 1998 and withdrew the case that was pending in court.

Mr. Speaker, Sir, following the above developments, my Ministry has continued to address the issues facing the group of workers and, indeed, all health personnel. To this end, I held a consultative meeting with representatives of the affected staff on 15th April, 1998. More of such meetings are scheduled to take place in May and June. During these meetings, we explained to the negotiating teams, the financial constraints currently being faced by the country and the Public Service in particular. My Ministry will, however, endeavour to improve the terms and conditions of service as the state of the economy improves.

NEGLIGENCE BY MATER MISERICORDIAE HOSPITAL

The next Ministerial Statement, Mr. Speaker, Sir, if you will allow me---

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

Mr. Speaker: He is on a point of order, Mr. Anyona.

The Minister for Health (Mr. Kalweo): Hon. Members will also recall that the matter of the death of the unborn child of Ms Jacqueline Kimulu was raised in this House by hon. Norman Nyagah, the Member for Kamukunji. In this regard, I would like to inform the House that Ms Kimulu was admitted to Mater Misericordiae Hospital on 20th March, 1998 at 11.25 p.m. At the time of admission, she was found not to be in labour. Subsequently, she and the unborn baby were monitored in the hospital, but no abnormal signs were detected. On 26th March, 1998, the pregnancy was overdue and a decision was taken to induce labour. As labour progressed, there were signs and symptoms which made it necessary for doctors and midwives to perform a caesarian operation. As hon. Members are aware, child-birth is not risk-free. Despite the hospital's doctors and midwives efforts to save the lives of the mother and the baby, the baby was still-born following the caesarean operation.

In this regard, I would like to point out that preliminary reports indicate that there was no negligence on the part of the hospital or any of its staff. However, the Director of Medical Services has already initiated investigation into the matter.

Thank you, Mr. Speaker, Sir.

(Several Members stood up in their places)

Mr. Speaker: What is it? Order! Order!

May I just put this to perspective? Hon. Members must understand that we have only one Question Time which is between 2.30 and 3.30 p.m. I think the hon. Minister was responding to issues raised on Zero Hour and I do not wish to take away a lot of Members' time. Zero Hour is actually for Members to discuss matters other than Government Business. So, I decided that any Minister wishing to make any comment on an issue raised by a Member on Zero Hour, may do so by way of a Ministerial Statement. I may be inclined, occasionally, to allow one or two Members to seek a clarification on a matter arising from a Ministerial Statement. But Members must

understand very clearly that this is not another opportunity for Question Time, nor is it an opportunity for a debate. I understand that one of the Statements read by the hon. Minister for Health was in response to an issue raised by Mr. Nyagah and the other one by Mr. Anyona. So, I am inclined to recognise these two hon. Members to seek any clarification. It is neither Question Time nor debate time. Mr. Anyona first! Yours was first, Mr. Nyagah's second.

Mr. Anyona: Thank you, Mr. Speaker, Sir. In view of the fact that the strike crippled the health services in the country for nearly three months, when all the hospitals closed down simply because there was no dialogue between the Ministry and the nurses, and, in view of the fact that, the return-to-work formula was based on the fact that there would be negotiations between that time and April 30th, 1998--- That was the agreement. Now, given the answer we got this afternoon from the Minister for Health, which does not tell us whether the problem has been solved or not--- It simply says that negotiations are going on up to May and June. Could the Minister clarify what happens in between? Are the nurses going to down their tools on 30th June, 1998? Or have you formally agreed under a new circular, like you did last time, that negotiations have been extended, in which case there will be peace until that process is complete. If not, we are likely to be landed with another crippling strike. Could the Minister explain what he has done as a basis for extending, if you have extended, if you have not extended, what are you going to do to make sure that medical services are not crippled once again.

The Minister for Health (Mr. Kalweo): Mr. Speaker, Sir, if I start to explain, it will take me so much time. But they are not going to down their tools after 30th April, because as I have already said, on 15th April, 1998, we had a meeting and we said that we will have another meeting with them. We have agendas to be discussed and they have the files. Nurses' representatives will explain everything to the nurses. Maybe some areas have not been reached, but we issued some instructions that those agendas must be made known to each and every one of them.

Mr. N. Nyagah: Mr. Speaker, Sir, I would like to tell the Minister that three days ago, I received a letter from the Director of Medical Services telling me that he was going to initiate investigations. I am surprised that within three days, that report has been given to the Minister. In his closing statement, the Minister did say that the Ministry, through the Director of Medical Services, is initiating investigation to find out the cause of this death. I would like to think that the Minister was not ready to come and tell us what killed this little child, the first born of a young couple. Therefore, I would want the Minister, once investigations have been fully done, to come back to this House and tell us what killed this child at Mater Misericordiae Hospital because the child died after the mother was in labour for three days just because there was no doctor and this is a fact.

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

Mr. Speaker: Order! Mr. Maitha, to the best of my ability and recollection, you applied to utilise the Zero Hour and you will do that at the rise of the House.

Mr. Maitha: Mr. Speaker, Sir, I had said that I wanted to rise after Question Time on an important---

Mr. Speaker: Then hold on, you will get time after the Ministerial Statements.

NCC AND NHC HOUSING DISPUTE

The Minister Local Authorities (Prof. Ongeri): Thank you, Mr. Speaker, Sir. Yesterday, in the Morning Session, hon. Members did raise a lot of concern on a question regarding the dispute between the Nairobi City Council (NCC) and the National Housing Corporation (NHC) at Madaraka Estate. I now beg to issue a Ministerial Statement. The dispute between the National Housing Corporation and the City Council dates back to 1992 when the Council took the National Housing Corporation to court claiming Kshs157 million. At that time, the National Housing Corporation had threatened the council through a letter dated 13th February, 1992, to take over the management of Kariakor and Madaraka Housing Estates.

The National Housing Corporation responded to the case by filing a counter claim for the arrears owing generally on all the housing schemes developed through the National Housing Corporation funds. At that time, the arrears plus the principal balance, was amounting to Kshs970 million. When the parties appeared before the court in the same year, it was agreed that the Council would make a monthly payment of Kshs4 million towards the arrears which was then standing at Kshs309 million. The court order was made by consent in April, 1992. The council made remittances continuously until early 1994 when it defaulted for some months and resumed remittances in August up to December, 1994. After this period, the council continued to make remittances of Kshs4 million and, occasionally, defaulted here and there, until it was caught up with the current saga. The council does not dispute that it owes the NHC arrears to the extent of the indebtedness as agreed to be determined.

On 9th, March, 1998, my Permanent Secretary in the Ministry of Local Authorities chaired a meeting in

his office, in which the Managing Director of NHC together with his team and the Town Clerk of the Nairobi City Council and her team attended. It was then agreed in that meeting, that a small team comprised of officers of the council headed by the Deputy Town Clerk on one hand and the Financial Controller of NHC and his team on the other hand be established. The purpose of this committee was to reconcile records of accounts and submit their findings back to the Permanent Secretary Ministry of Local Authorities who, in turn, would convene the committee of both parties with a view to reaching an amicable agreement.

The committee met on the 13th, March, 1998 in the office of the Deputy Town Clerk where it was agreed, among other things, that the council will make monthly repayments of Kshs5 million beginning on 17th March, 1997 and every 17th March of each succeeding month. It was also agreed that the City Treasurer and the Financial Controller of NHC will carry out the reconciliation of accounts to determine the current position of indebtedness by the council. On 17th March, 1998, when the NHC official came to collect the cheque which was ready for collection, at the same time, NHC through their lawyer, were also serving the Town Clerk with an application filed in court.

The application served was for orders to take over the management of Madaraka and Kariakor Housing Estates. This was found to be rather surprising, since it was only a few days earlier, when both parties sat together in a meeting chaired by the Permanent Secretary, Ministry of Local Authorities, and they agreed amicably on the modalities to be followed. The court proceeded to give *ex parte* orders against the council, pending inter parties hearing, yesterday, 22nd April. NHC has used that *ex parte* order as a basis for sending notices to the tenants threatening to evict them, unless they agreed to pay to NHC directly. This state of affairs has culminated in a situation where tenants are now being put in a state of confusion and panic.

Mr. Speaker, Sir, as I stand here today, the matter is in court pending an inter parties hearing on 11th May, 1998. However, my Ministry has done extensive consultation with the Ministry of Public Works and Housing under whose jurisdiction NHC falls. Given the current circumstances and in order not to prejudice any outcome, the Government has decided that the status quo, prior to 4th March, 1998 abounds and that further consultations between Ministries be held in order to resolve the matter to the satisfaction of all the parties concerned. A similar situation also applies to other local authorities in the country. In the meantime, NHC should not disturb any tenant until such time the matter has been resolved as stated above.

Thank you, Mr. Speaker, Sir.

Mr. N. Nyagah: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: I do not think we will debate that because it is clear. Mr. Mudavadi!

STRIKE AT CHEMELIL SUGAR COMPANY

The Minister for Agriculture (Mr. Mudavadi): Mr. Speaker, Sir, following the concerns raised in this august House, on Thursday, 16th April, 1998, regarding the strike at Chemelil Sugar Company, I made a commitment to this House to respond to the issues which have been raised. I would like to inform this House that, on 23rd March, 1998, unionisable employees of Chemelil Sugar Company, through the Kenya Union of Sugar Plantation Workers (KUSPW) accused the management of violating certain clauses of the collective bargaining agreement and gave notice that all unionisable employees would go on strike on 2nd April, 1998.

The Government, through the Ministry of Labour, appointed a conciliator on 27th March, 1998. The conciliator so appointed called for the [**The Minister for Agriculture**] submission of memoranda from both the union and the management of Chemelil Sugar Company on 30th March, 1998. They further advised the union to suspend the industrial action intended for 2nd April, 1998. The management, having no dispute, did not make a submission in this regard. However, the union, which had declared the dispute did not submit any memoranda to the conciliator, but went ahead with the strike on 2nd April, 1998. On 3rd April, 1998, the Minister for Labour, in accordance with section 28 of the Trade Disputes Act, required the parties to make use of the machinery for negotiations or arbitration for the voluntary settlement of disputes, as provided under this section to reach a settlement. He observed that all practical means of reaching a settlement of the dispute through this machinery had not been exhausted. He then declared the strike unlawful, since the union had not complied with a notice requirement of 21 days. He advised the employees to go back to work and let the union negotiate with their employer over the violation of the collective bargaining agreement. Despite this, the parties to the dispute failed to reach an agreement as the employees, through their union, insisted on the removal of the Managing Director before they could negotiate. During this period, the management of Chemelil Sugar Company made efforts to get the workers to resume their duties. There is evidence that workers were issued with two official warning letters and a final amnesty before their employment was terminated on 7th April, 1998. At the same time, the management took action to safeguard company property since the striking

employees had been highly incited against the management.

Mr. Speaker, Sir, the Board of Directors of Chemelil Sugar Company held a special board meeting on 8th April, 1998 to address this matter. The board noted that:

1. The Secretary-General of the Kenya Union of Sugar Plantation Workers had given a notice of nine days for the industrial action as opposed to the requirement by law of 21 days.

2. The machinery suitable for settlement of the disputes on violation of collective bargaining agreement clauses had not been followed.

3. The Board discussed and was satisfied that the management had not violated any clauses of the collective bargaining agreement as alleged by the union.

The Board, therefore, upheld the action taken by the management and issued a press statement in this regard. The Board further granted a period of amnesty to the employees to re-apply for employment by 14th April, 1998, failure of which the vacant positions would be advertised.

Mr. Speaker, Sir, my investigations have revealed that outsiders who are not employees of the company were involved in the fracas within the precincts of the company on 14th April, 1998. During these fracas, the company's cane was burnt as well as the tractors. The cane which was destroyed weighed 3,150 tonnes and so far, it has been harvested and milled. No employee for this company died during this strike. However, the police have confirmed that one adult outsider named Douglas Omondi Maseno, aged about 20 years was killed.

Mr. Speaker, Sir, I wish to confirm to this House that as of now, all employees of Chemelil Sugar Company returned to work on 17th April, 1998 and the company's operations are back to normal.

Thank you, Mr. Speaker, Sir.

PERSONAL STATEMENT

REFUTAL OF HON. SIFUNA'S CLAIM

Mr. Maitha: Mr. Speaker, Sir, I stand on a point of order to protest against hon. Sifuna's utterances in this House yesterday when I was away. I have yesterday's HANSARD, which quotes hon. Sifuna as telling this House that I did have lunch with him and I confirmed to him during that lunch hour that, the Government hired me to instigate the clashes which occurred in Likoni. He went on to say that I and Mr. Masumbuko had lunch together with him yesterday. This is what is appearing in the HANSARD this morning.

Mr. Speaker, Sir, under Standing Order No.73 (4), the hon. Sifuna erred by mentioning my name in this House, without moving a substantive Motion. I also want to say that I am neither connected with the Likoni clashes nor have I ever sat with hon. Sifuna anywhere. I keep records of the people I take lunch with. On Wednesday this week, I had lunch with hon. Twaha, hon. Mrs. Matano, hon. Kombe and hon. Mwakiringo, who are all here and they can confirm that we had lunch together. On Thursday, I had lunch with hon. Suleiman Shakombo and hon. Kamolleh, who can confirm to this House that we had lunch together and not with Mr. Sifuna.

Mr. Speaker, Sir, clashes in Likoni are going down at the moment, because the Coast Parliamentary Group has had many meetings and we have formed a caucus between KANU and the Opposition to alleviate and calm the situation in Likoni. The Government is not connected whatsoever to the clashes and I am confirming the Minister's Statement that, his was a true record of what happened. Maybe Mr. Sifuna has a hidden agenda concerning the Coast Parliamentary Group, of which hon. Maj. Madoka is a member.

Mr. Speaker, Sir, because of the contravention of the Standing Order No.73(4), I demand an apology from hon. Sifuna, on my behalf and on behalf of the people who elected me. Having found out that hon. Sifuna is going to be in my constituency tonight, let him know that my people are very annoyed and are waiting for him. Could he apologise?

(laughter)

Mr. Speaker: Order! Order! This, indeed, is a very strange thing. It is a very strange situation where a Member claims another Member told him something and the other Member comes to the House and denies it. One of the Members is certainly not being honest. But I may just ask hon. Sifuna, and I want him to be honest, as I also expect hon. Maitha to be. In all truthfulness Mr. Sifuna, did you or did you not have lunch with hon. Maitha? And if you did, is what you have attributed to hon. Maitha true or is it an invention?

Mr. Sifuna: Thank you very much Mr. Speaker, Sir. I swear in the name of God that I was with--- It was on Tuesday. To prove this, even hon. Gitobu Manyara is here and he heard it. The issue came about because of

the question about the clashes at the Coast. Hon. Maitha came over when I was taking oranges.

(Laughter and Murmurs)

To be honest--- Let us speak the truth, because this is an hon. House.

Mr. Speaker: Order, Members! I have been put in a nasty situation. Now that I am not God, I do not know who to trust between the two of you. So, can I leave that to your God, the two of you? In the meantime, I do advice honourable Members, that what they gossip about each other over tea or lunch should never find itself into this House. Can we keep out this matter?

Mr. Speaker: Order, I totally refuse to get involved in private matters between individual Members.

(Applause)

EXPUNCTION OF UNAUTHENTICATED DOCUMENT

Mr. Kamau: On a point of order, Mr. Speaker, Sir. I rise on a point of order under Standing Order No. 69 to issue a personal statement regarding some documents tabled in this House by my colleague, Hon. Sambu, yesterday. I do not think it is in order for any Member to pick a paper like that one from his kitchen and write anything he wants and bring it to this House as an evidence.

(Mr. Kamau waved the paper)

This document was written by hand and quotes some figures as a matter of an evidence against an allegation. If we continue to accept such documents as a proof in this House, then honestly, tomorrow I would be tempted to come with such a document to prove that a Member like Mr. Sambu had cleared all the forests in this country. Will such a thing be allowed in this House?

Mr. Speaker, Sir, that was a matter touching on KCC as a company and we are trying hard to handle it in the company. In the first place, we had sacked the Managing Director. Is Hon. Sambu attempting to block us from going on with the investigations into the whole matter?

Mr. Speaker: I think you have made your points.

Mr. Kamau: Mr. Speaker, Sir, I am requesting that this document be expunged from the *HANSARD* because it is not authentic. A Member of this House had just sat somewhere on a table and wrote it. I request all Members of this House---

Mr. Speaker: Order, Order! Again, we are starting on a bad footing. I think I had ruled in the past, that, before a document is tabled in this House and be accepted, it should have some kind of veracity. It must bear the signature and the name of the author. Any unsigned document is meaningless and cannot be tabled in this House. If we accept such unsigned documents, it would amount to filling alot of useless papers in the records of this House. It would also open the flood-gates of all unnecessary allegations.

I, therefore, rule that any Member who wishes to table a document in this House must ensure that the face of the document shows it is genuine and executed by the author. By execution, which is a legal term, I mean being signed by the author. The Members can seek clarification from the Clerks at the Table as to whether the document is likely to be accepted or not.

I have had a look at the said document purportedly tabled by Hon. Sambu and I have discovered that it is unsigned. It is just a two-page handwritten paper and allegedly tabled to prove those allegations he made in this House.

I will order it not to be part of the records of this House. It will be removed from the *HANSARD*. This move will set a precedent that all documents tabled in this House are credible, and will, therefore, become part of the evidence. I will not accept situations where Members table papers that lack authenticity, so that it can be included in the records of this House. So, that one will be expunged. I do advise Members to be careful with the kind of documents they intend to table in this House. I am sure all the parties concerned will be satisfied. If honourable Members have their own trade wars, or in the case of Hon. Sifuna and Hon. Maitha over *chakula* wars, they should keep them out of the House.

(Applause)

Mr. Michuki: Mr. Speaker, Sir, it seems to me that we need guidance from you on that matter. The

document tabled by Hon. Sambu was meant to support an allegation he made. Now that the document has been expunged, is it in order to ask for the withdrawal of the allegations made?

Mr. Speaker: I do not think the words, as uttered by Hon. Sambu as it were, call for a withdrawal. But the document should be removed from the records. That is all.

The Minister for Transport and Communications (Mr. Ole Ntimama): Mr. Speaker, Sir, in view of the new phenomenon of inventions, untruth and *fitina* situations coming to the House, including false documents laid on the Table, is not in order to ask the Standing Order Committee to add a new Standing Order that will make sure that such documents are not floated in this House and people will be truthful and credible? Some of those Members are just envious of others.

Mr. Speaker: I think as the Minister has said and from the mood of the House, I can clearly decipher that the House is not amused by the kind of behaviour Members are exhibiting at this very early stage of this Parliament.

So, honourable Members, if it becomes necessary for the Standing Order Committee to be strict with untruthful Members, then it will be so. I hope Members will not force the Committee to take that action because many of them will be humiliated. There is no time the Committee will call upon God to be a witness. We will call human beings to be witnesses. Can we, hon. Members, act in a honourable fashion and keep the dignity of this House and your colleagues. Please, do not malign the names of your colleagues unnecessarily. Can, we now proceed.

Mr. Muiruri: Mr. Speaker, Sir, I am a director of KCC, and also represent Nairobi, Naivasha and Mombasa in the company. My name was mentioned yesterday by hon. Sambu, who is an old hon. of this House and a former Cabinet Minister who knows the rules of this House---

Mr. Speaker: Order! What are you complaining about?

Mr. Muiruri: Mr. Speaker, Sir, I had lunch with Mr. Sambu on 16th, April---

Mr. Speaker: What is this all business about discussions over lunch?

(Applause)

Mr. Muiruri: Mr. Speaker, Sir, will you order Mr. Sambu to apologise over the allegations he made against me yesterday and withdraw them.

Mr. Speaker: Order, can all honourable Members keep all the lunch dates away from the discussions in this House? I do not want to hear all this about the lunches Members had with each other. Otherwise, it may become necessary to close the cafeteria.

BILL

First Reading

THE COMMUNITY SERVICE ORDERS BILL

*(Order for First Reading read - Read the First Time
Ordered to be read the Second Time Tomorrow)*

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, on behalf of the Attorney-General, I beg to move that under the provisions of Standing Order No.101A(1) The Community Service Orders Bill be committed to the relevant departmental committee.

Mr. Speaker: Next order.

MOTION

ADOPTION OF PAC REPORTS

The Member for Saboti (Mr. Wamalwa): Mr. Speaker, Sir, I thank you for giving me the opportunity to introduce debate on the Public Accounts Committee Reports (PAC) on the Government of Kenya Accounts for the financial years 1993/1994 and 1994/1995.

Mr. Speaker, Sir, as this is my first speech in this House since the 1997 General Election, I beg your

indulgence to take off a few seconds to indulge in the traditional pleasantries starting with congratulating you and your Deputy Speaker upon your meritorious election to your great offices; offices of great honour and decorum. Secondly, I would also like to take this opportunity to congratulate all hon. Members upon their election and re-election to this august House. My advice to our new colleagues in this House is that they will do well to remember the words of Sir Winston Churchill to a new Member at Westminster. He watched a new Member sitting next to him, staring steadfastly at the party across the aisle, where upon Sir Winston asked him: "Youngman, what are you staring at so intently?". The youngman said: "I am checking out the enemy." So, Sir Winston then told him: "The people across are your opponents. Your enemies are on your side of the House." This may sound frivolous, but I think history will bear me out that it has a ring of truth about it.

Mr. Speaker, Sir, finally, I wish to take this opportunity to apologise to you and the House for any inconvenience caused to this House by my absence from here last Thursday which occasioned the postponement of the introduction of this debate. I wish to state categorically that I was out of the country and your office had been officially informed.

All of us in this House appreciate the fact that humour is the size of life and the cartoonists are the best journalists we have in this country, who should know that better than myself. They also do enjoy some sort of poetic licence. Gado of the *Daily Nation* last Friday came up with an incredible cartoon that I can only say he let his imagination run away with him. That notwithstanding, I rank Gado as one of the best cartoonist in this country. In fact, I would rank Gado with Madd of the *East African Standard*, Giles of the *Daily Express* and Jack of the *Evening Standard* in London, *pari passu*. But with regard to what I might have been doing last Thursday, this cartoonist was very far from the truth, to say the least. But still it is always good to know how other people see us. It does not really hurt that much.

(Applause)

Mr. Speaker, Sir, may I now formally move:

THAT this House adopts the Reports of the Public Accounts Committee on the Government of Kenya Accounts for the years 1993/94, and 1994/95 as laid on the Table of the House on 15th April, 1998.

It is now my pleasant duty to thank my fellow Members who served on that Committee for those two financial years. I would like thank them for their co-operation. I hesitate to use that word or I use it advisedly since "co-operation" has acquired a new meaning these days, but I dare say, I thank them for their teamwork dedication and conscientious efforts that they put into the preparation of these Reports.

The Committee held 71 sittings during which we questioned and cross-examined Accounting Officers in charge of all Government Ministries and other witnesses, and in the process sifted through a formidable amount of paper work. Apart from hon. Henry Obwocha, who retired after the 1993/94 Report was prepared and was replaced by hon. Prof Rashid Mzee, the Members of the Committee remained the same for the two financial years under review. The Members of those Committees were:

1. The hon. M. C. Wamalwa, MP - (Chairman)
2. The hon. D. ole Sankori, MP
3. The hon. G. Nyanja, MP
4. The hon. G. O. Achola, MP
5. The hon. H. O. Obwocha, MP
6. The hon. R. M. Maore, MP

Those that I have mentioned had a good fortune to be returned by wananchi to this House, but there were other colleagues who did not make it back. We shall miss the hon. G. Ndotto, the hon. J.S. Mumba, the hon. P. Kavisi, the hon. P. Rotino and the hon. J.M. Shikuku who have gone with the wind.

Mr. Speaker, Sir, in both financial years, the Committee arrived at its recommendations after very thorough objective and constructive deliberations. The Committee also took precautions to ensure that there was adequate machinery within the Public Service to act upon the observation and finally implement the recommendations made.

There is always an inevitable sense of *deja vu* about the reports of the Controller and Auditor-General and the Public Accounts Committee. A casual look at any of these Reports would leave the reader wondering: "Where have I ever read or heard of this before", because the story is all too familiar. These reports have continued to astound Kenyans with revelations of serious laxity in the control and management of public resources

and opportunities. They contain revelations of Accounting Officers conniving with conmen to rip off the country's resources. Today in Kenya, everybody is crying about the collapsing economy which has sparked off an inflationary spiral that has eaten away most of the workers' savings. Today we are crying about a collapsing economy that has displaced the labour market resulting in retrenchment, lay-offs and serious lack of job opportunities for our college and high school graduates.

Mr. Speaker, Sir, a collapsing economy that has touched off a spiral of ever escalating interest rates that have made Kenyan money to be the most expensive money in the world to borrow today and this is a serious observation because given its bank rate of 33 per cent plus on all borrowings, it becomes very difficult to attract serious investors who would invest into our economy and create job opportunities for our young people.

Mr. Speaker, Sir, one may be excused to observe that Kenya today is at the crossroads. Things have come to pretty passe, indeed, as the effects of mismanagement, misappropriation and outright looting over the years have now come home to roost. It often shocks me when I hear people who have been in charge of this economy and in Government lamenting that soon the country will grind to a halt. Are they realising this only now? Have they just come from the moon or some other celestial body? Are they not the same ones who have been in charge of the day-to-day running of this economy and, indeed, some of them have been aiding and abetting the process of economic collapse through corruption and outright looting?

Mr. Speaker, Sir, year after year, the Controller and Auditor-General and the Public Accounts Committee have been warning of impending doom exactly the sort of situation we now find ourselves in, but nobody has heeded these warnings. The Public Accounts Committee Reports have been urging the Government to put an end to corruption, mismanagement and looting of the economy through hair-raising deals and scams as a prerequisite step in avoiding this ultimate eventuality.

Mr. Speaker, Sir, one could rightly say that the Public Accounts Committee Reports have become some sort of modern day Cassandra and to refresh the Members knowledge of Greek mythology, Cassandra was the daughter of Priam, the King of Troy with Hecuba the marble Queen and she was called by Apollo the supreme God that although she was a prophetess nobody would ever believe her prophesy. So, year after year, she made prophecies that nobody believed. She even prophesied that the Athenians would invade Troy using a huge wooden horse which would be carrying Greek soldiers to attack Troy to recapture Hellen who had been captured by the Trojan king and nobody believed her. When the Trojans saw the huge wooden horse outside the entrance to their city, they claimed it was a gift from the gods and wheeled it into their city and in the small hours of the morning, the Athenian soldiers came out, killed everybody in Troy and carried off Hellen of Troy back to Athens.

Mr. Speaker, Sir, I am afraid the Public Accounts Committee predictions seem to have taken that sort of pattern that we predict that unless certain measures are put in place, unless certain things are done and unless certain culprits are punished, the economy will deteriorate and probably eventually collapse, but very little implementation has been done over the years. These reports have time and again warned that corruption would wreck the economy as, indeed, it has done now. Corruption is the most serious form of mismanagement of resources and opportunities. It gives advantage to a few and long-term suffering to the majority ultimately leading to fabulous private wealth and horrendous public squalor. It is quite easy to see that if the observations and recommendations of the Public Accounts Committee had been heeded and if the well known culprits had been punished or sacked altogether, the country would not be in the present mess today.

Mr. Speaker, Sir, on a slightly more positive note, I must albeit grudgingly say that there have been signs of slight improvement in the management of public resources since the advent of multi-partysim. Indeed, one should say that multi-partysim is probably the biggest blessing that this country has enjoyed since Independence. Under the one party rule and I had a chance to chair the Public Accounts Committee for two years under the one party rule, at that time accounting officers would come before the Committee wearing a look of "I do not give a damn and there is nothing that you can do about me" because they knew that they would be protected. Over the past three years or so, accounting officers have come into the Public Accounts Committee room with trembling knees and a look of pity on their faces and, indeed, we had an occasion when an accounting officer who appeared before the Committee when ill-prepared and after facing our "firing squad", he never returned again and the last time we heard of him was that he had retired from the Service. He opted to retire rather than face the "firing squad" of the Public Accounts Committee again.

Mr. Speaker, Sir, there have been accounting officers who have done a good job and I believe that the role of the Public Accounts Committee is not only to punish, but also to encourage those accounting officers who appear to be doing the right thing. This may sound repetitive, but for the last three years, Mr. Samuel Mbova, Permanent Secretary, has impressed the Committee as the most committed Accounting Officer in this Government today. Along with Mr. Mbova, Dr. Sally Kosgei has continued also to show tremendous dedication to duty and a determination to see that the taxpayer gets value for his money. Dr. Sally Kosgei has now been joined by Mrs.

Margaret Githinji, who in the past did not seem to have come to grips with the exigencies of her job, but after the last Public Accounts hearing, I am glad to say that Margaret Githinji deserves a B plus for her endeavours.

Mr. Speaker, Sir, it would be a monumental task for me to attempt to go through both reports paragraph by paragraph. I have, therefore, chosen a few of the most salient cases for critical examination through the two financial years under consideration up to the present moment. In the more mature democracies where party chauvinism has no place in the Public Accounts Committee's deliberations, it is traditional for the Chairman of the Public Accounts Committee to start by declaring that our report is unanimous. I am afraid that I cannot say that our report over the last few financial years under review were unanimous. Due to entrenched party dispositions, our Committee was divided over the Goldenberg scam among other things in both reports and I would like to take time off here to read to the House the observations that we have made in our introduction on this particular subject.

Mr. Speaker, Sir, in the report of 1993/94 Volume 1, page IX, the Committee says:

"Divisions within the Committee first of all concerned an amount of Kshs5.8 billion allegedly paid to Goldenberg International Limited. This money was paid out of the Pay Master General's account on the strength of three letters signed by Dr. Wilfred Koinange, the then Permanent Secretary, Treasury commanding the Governor of Central Bank of Kenya to pay this amount of money to Kenya Commercial Bank without specifying which accounts or account at the Kenya Commercial Bank the money was to be paid into. Upon cross-examination, the Executive Chairman of KCB it turned out that these money was paid into the following banks: Delphis Bank; Trans-National Bank; Postbank Credit; National Bank of Kenya and Exchange Bank. The Committee was keen to know whether all this money was paid into the Goldenberg International's account or at these other banks or wanted to know in whose other accounts this money had been paid to. The Committee wanted to summon Mr. Kamlesh Pattni of Goldenberg International and Dr. Koinange author of the three letters among others to establish who the actual beneficiaries of this money were. It was at this point that the Speaker of National Assembly intervened with a written opinion to the effect that the Committee could not delve any deeper into the matter because it would be infringing the rule of *sub judice*.

"In a memorandum addressed to the Speaker by way of a rejoinder minuted as number 388/95/96: Memorandum on *sub judice*. The Committee concluded as follows:-

The PAC deals with the Report of the Controller and Auditor-General which is first laid before the House. The House then refers the Report to the PAC to deliberate on in camera, and then the PAC finally reports back to the House its findings. The PAC is, therefore, duty bound to deliberate on the audited report paragraph by paragraph and report back to the House in the same version. If at all there is to be a question of *sub judice* regarding some matter contained in the report that the PAC has compiled and brought before the House, the matter of *sub judice* can only be raised on the Floor of the House during debate and the Chair should be in a position to give a ruling accordingly. The Chair did give a ruling and the Committee did not continue with that subject.

"The second contentious issue on which the Committee was divided was the Committee's wish to visit military barracks at Mariakani at the Coast and Laikipia Air Base to see how Kshs580 million had been spent. Two previous Public Accounts Committees had visited barracks to inspect items upon which money had been spent. So, my Committee did not feel that if a request to visit these protected areas was out of the ordinary. After much acrimony, however, the Committee was denied permission to visit the camp. The Committee then wrote to the Head of State seeking his intervention to help the Committee:

(i) delve into the Goldenburg issues to establish who the actual beneficiaries were;

(ii) to visit the two military camps; and

(iii) for him to order the Permanent Secretary, Ministry of Lands and Settlement, to release to the Committee certain essential files that he had refused to make available to the Committee."

On all these three counts, I am afraid to say, the Committee got no joy from the President and ultimately recorded recommendations that were not subscribed to by hon. Members of KANU on the Committee. This was a most unfortunate event, given the fact that traditionally, the PAC strives to achieve consensus and unanimity in its recommendations. Apart from that, the Committee achieved unanimity on most issues that have played havoc with our economy.

Mr. Speaker, Sir, I will now turn to a few specific areas where there was glaring mismanagement, misappropriation and violation of regulations, including Constitutional provisions. I would like to start by

looking at the Government financial position during the year 1994/95. In the Financial Year 1994/95, the Government of Kenya continued to live in the red. Indeed, in the previous Financial Year 1993/94, the Government also lived in the red. The situation seems to get worse as the Government debts continued to increase until we reached a level where the Government was spending huge sums of money on servicing its debts alone. The Government spent up to 44 per cent of its annual expenditure on debt servicing alone. The Government also continued to incur excess votes during the two years under review.

If one takes a moment to reflect over the many things that Accounting Officers in Government do, one would be more surprised. Apart from the usual misappropriation of the Government property and pinching of Government money, some Accounting Officers even violate important Constitutional provisions. Since the American War of Independence, most countries in the world subscribe to the principle that there will be no taxation without representation. That is to say, no Government will levy taxes upon citizens unless the citizens' elected representatives have had a chance to look at the tax proposals. So, when an Accounting Officer incurs an excess vote, basically, what he is doing is spending money that has not been authorised by the people's elected representatives.

In the years under review, there were enormous excess votes. I would like to go back a little to the Financial Year 1991/92. In that year alone, the excess vote, or money the Government spent without authority from Parliament, was K£48,216,360. In the Financial Year 1992/93, the Government excess vote was K£75,932,971. In the Financial Year 1993/94, the excess vote was K£69,672,529. In the Financial Year 1994/95, there was a slight improvement: The excess vote was K£45,349,941. I would like to point out that these excess votes do not even include the most notorious financial offence by most Ministries of pending bills. Here we are talking of simply overdrawing the Ministry's vote without Parliamentary authority.

The most notorious feature in the management of finances by the Government is the one of pending bills.

Pending bills simply mean that the Government has received services and goods and failed to pay for them within the financial year in question. In the Financial Year 1993/94, 11 Ministries carried forward enormous pending bills of K£189,612,758. This is what the Committee had to say on this:

"This is a perennial problem which the Government must use all means possible to resolve now.

During the year under review, pending bills amounting to K£189,612,758-14-15 were carried forward for payment in the Financial Year 1994/95. The Committee noted with great concern that the carrying forward of pending bills to subsequent years adversely affects the allocation for that particular year and does not in any way, resolve the problem of accumulation of unpaid bills. The Committee strongly recommends that a special budgetary provision be made, with a view to declaring of the pending bills, even if it will mean stagnation of development for a while."

At the moment the practice is that after the Budget, pending bills form the first charge of each Ministry's allocation.

In other words, Ministries will incur debts from telephone bills, water bills, Nairobi City Commission rates and so forth, and not pay for them. When they get their budgetary allocation, the first thing that they do is to pay pending bills. This has the effect of, in fact, affecting whatever development projects that the Ministry is supposed to implement in the Financial Year for which it has received that money. The Committee felt strongly that the carrying forward of these bills and using allocations of the subsequent year to settle them, will never end this problem. The Government must find a way of paying off all the bills that they have incurred over the years. Even if that will mean slowing down development for a time, at least the Government will not carry this debt burden year after year.

Mr. Speaker, Sir, we would like to recommend this very strongly to the Government, so that the problem of pending bills can be sorted out once and for all. In the Financial Year 1994/5, the Government carried forward pending bills of K£248,162,725. In 1993/4 pending bills amounted to K£189 million. In 1994/5 they jumped to K£248 million. So, a way has to be found of resolving this problem. In my consultations with the Treasury officers, I gathered that as of now, pending bills being carried forward by the Government amount to approximately, K£380 million. This is a very serious problem indeed, and the Government must find a way of resolving it. I would now like to look at how the Government spent taxpayers' money in two particular cases in direct violation of Constitutional provisions. I am referring here, to the building of the Eldoret Airport and the purchase of the Presidential jet. If I may be allowed to quote from the Report of the Controller and Auditor General:-

"The Consolidated Fund Services records show that an expenditure of K£133,987,465-14.10, relating to the construction of Eldoret International Airport was irregularly charged directly to the Consolidated Fund. The charging of the expenditure directly on the Consolidated Fund

services contravenes the provisions of Section 99 and Section 100 of the Constitution regarding the expenditure of the Government. Available records indicate that in October 1990, the Office of the President informed the Treasury of the estimated cost of the construction of the Eldoret International Airport Project, which was then put at K£225 million by a firm of consulting engineers appointed by the Office of the President. The Treasury was requested to identify a donor or financier mainly because the cost could not be financed from normal budgetary provisions. Although most of the relevant records for this project have not been made available for audit review, the contract for the construction and equipment of the Eldoret International Airport was awarded to a foreign firm on a single-sourcing basis, while another foreign Company was appointed as sub-contractor.

The contract agreement is indicated as having been executed in October, 1994. But the actual contract document has not been seen. No details have also been seen to indicate how the contractor for the project was identified before the contract was awarded. But, in October, 1994, apparently after realising the irregularity of single-sourcing, the Office of the President requested the Treasury for retroactive authority exempting the contract from open tender because as they explained then, the Government had already executed a contract on a single sourcing basis. The Treasury's *post-facto* authority exempting the contract from open tender was given in December 1994. Thereafter, the Treasury proceeded to make payments totalling to K£133,987,465 on behalf of the Office of the President, and charged it directly on the Consolidated Fund Services in complete disregard of Constitutional provisions. It is further noted that four payments of US\$25,200,000 equivalent to K£59,000,006-138 at the then ruling rates of exchange, were made on the same day of 11th November 1994, while the balance of US\$16,743,630 equivalent to K£1,499,626,548-10-00 was paid on various dates between July 1995 and January 1996".

The Committee heard the evidence given by the Accounting Officer that the expenditure of K£133,987,465-14-10 relating to the construction of the Eldoret International Airport was charged directly on the Consolidated Fund Services following the failure of a donor who was expected to finance the project. The Committee was further informed that the contract for the construction and equipment of the Airport was awarded to a foreign firm on single-sourcing basis and another Company was similarly appointed as a sub-contractor for security reasons. The Committee further heard that copies of all instalment invoices, payment authorities and payment vouchers in support of the payment have since been forwarded to the Controller and Auditor General. The Committee was told that arrangements had since been concluded for the owners of the Eldoret International Airport land to exchange it with the land and assets of the Uplands Bacon Factory in Limuru, in addition to the payment of K£58,254 in cash compensation. The Committee, while noting the evidence of the Accounting Officer that a full refund to the Consolidated Fund Services has since been made, was perturbed to learn that the amounts were charged to the Fund in total disregard of the provisions of the Constitution.

The Committee was further concerned that the contract on such a big project was awarded on a single sourcing basis, thereby, denying the Government the benefit of competitive bidding. The Committee was gravely concerned that K£60 million was paid as a commitment fee to a consultant to look for a financier who could not be traced after receiving the money. The Committee noted with dismay that the Government initiated the project on land which did not belong to it at the time. The Committee therefore, recommended that the Government should finalise the process of acquisition of the land on which Eldoret International Airport is built immediately and in any case, not later than 30th September 1997. I am informed that this has now been done.

The Committee further recommended that the Accounting Officer, in consultation with the Attorney-General, should initiate legal action to recover K£60,000 paid to the ICF.

[Mr. Speaker left the Chair]

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

The Committee also recommended that the Accounting Officer should under no circumstances, withdraw funds from the Consolidated Fund Services without following the laid down procedures.

A similar violation of the Constitutional provisions concerns the purchase of the Presidential jet. It may be a good idea for the President of Kenya to have a private jet. As a friend of mine who was once in this house, Dr. Noah Wekesa, said: Each time the President chartered the Kenya Airways Airbus, the Kenya Airways lost money. It might be better if the President had a private jet. Obviously, hon. Ngilu would not agree with this. I remember,

in her campaigns she insisted that if she was elected as President, the first thing she would do would be to sell the Presidential jet. However, the purchasing of this Presidential jet was irregular, and in the process, Constitutional provisions were violated, which is a most serious offence. Between September 1994 and December 1995, the Treasury made payments totalling to US\$46,800,000 equivalent to K£122,228,256-04 at the then prevailing rate of exchange, to an aircraft manufacturing firm, apparently for the purchase of a jet aircraft.

Mr. Temporary Deputy Speaker, Sir, at the time the payments of K£123,228,256 were made, no budgetary provision had been made and approved by Parliament for the expenditure under any vote. The total amount was therefore, charged to the Consolidated Fund in complete disregard of Sections 99 and 100 of the Kenya Constitution.

It has been explained that, at the time the contract for the purchase of the aircraft was signed, Treasury had already sought and agreed with an external financier on the funding of the purchase of the aircraft and that, a loan agreement had been signed between the financier and the Government of Kenya. The Committee further understood that the financier with whom an agreement had also been made for the financing of Eldoret Airport Project, apparently withdrew from the deal while the manufacture of the aircraft was in progress.

Mr. Temporary Deputy Speaker, Sir, this explanation does not however, explain or in any way justify the disregard of the Constitutional provisions regarding the financing of Government expenditure. It is also not clear on what basis a project of this magnitude and significance would be conceived, planned, negotiated and implemented without first making the necessary budgetary provisions and obtaining parliamentary approval for the necessary funding.

Mr. Temporary Deputy Speaker, Sir, the Committee heard the evidence given by the Accounting Officer, that this contract agreement for the supply of a Fokker 70 ER aircraft was signed between the Government of Kenya and the Fokker Aircraft BV of Netherlands on 20th September, 1994. The Committee was informed that the value of the contract was US\$46,700,000 and that 30 per cent of this amount was paid immediately and the balance was payable in seven equal instalments of US\$4,680,000 each. The Committee also heard that the contract was processed and awarded through Defence Tendering Procedure for security and other related reasons. The Committee was also informed, that payments towards this contract were spread over two financial years and that a financier who later on turned down the offer, had actually been identified and further, that the project was temporarily charged on the Consolidated Fund Services, pending regularization through budgetary provisions.

Mr. Temporary Deputy Speaker, Sir, the Committee was further informed that the Government took corrective measures in the 1995/96 Supplementary Estimates of the Department of Defence, and official receipt of Kshs1,837,074,000 was issued on 10th May, 1996, to the Department as part receipt in the Consolidated Fund Services for the amount paid for the jet. The Committee noted with concern that the Ministry had paid a commitment fee of US\$115,396 to ICF International in relation to the purchase of the jet, while the firm did not procure the funds for purchase of the jet, as required under the agreement.

The Committee was further concerned that the proper sourcing of finances had not been done before the decision to buy the jet was made. The Committee therefore, recommended that the Accounting Officer should liaise with Treasury with a view to recovering the amount of US\$115,396 paid to ICF International as commitment fee, because the company did not fulfil terms of the contract. Secondly, the Accounting Officer should ensure that the balance of K£31,374,556 is re-imbursed to the Consolidated Fund Services in the year 1997/98. The Accounting Officer should also avail all documents relating to these transactions to the Controller and Auditor-General for verification before 30th September, 1997. The Accounting Officer should never withdraw funds from Consolidated Fund Services without following the laid down procedure.

Mr. Temporary Deputy Speaker, Sir, this violation of Constitutional provision, is probably the worst offence that any Accounting Officer can commit. Because, it is bad enough to flout Treasury financial regulations, but to flout our Constitutional provision, is a more serious matter.

Mr. Temporary Deputy Speaker, Sir, I would also like to touch on another area of constant violation of financial regulations. That is, the violation of financial regulations at district treasuries. It is my considered opinion, that the greatest innovation the Nyayo Government ever came up with, was the District Focus for Rural Development. This enables people in the districts, through the DDC's to have a say in prioritising what project should be implemented and funded to benefit the local communities. This simply means, therefore, that development money is sent from the Ministry's headquarters to the district treasuries in order to fund development projects. What has happened in practice is that, once this money reaches the district treasuries, it goes directly under the control of the District Commissioners who then bully the District Treasurers to disburse this money according to their own instructions. The Controller and Auditor-General has observed a lot of irregularities in the district treasuries.

Mr. Temporary Deputy Speaker, Sir, I find this particularly sad, because as this country advances, we are

going to be moving more and more towards devolution and not *majimboism*. Devolution in this sense is simply, that, the local authorities will acquire the status of governments properly so called, within their own localities. Today, this is what is happening in England, Scotland and Wales. Through devolution, they are practically in charge of their own domestic affairs. In future, we would like to see local authorities that are fully in charge of their own affairs to a point of even acquiring powers to appropriate taxes, prioritise their own programmes and implement them. But, it would be a false start if those in charge of district treasuries are going to start looting money entrusted to them.

Mr. Temporary Deputy Speaker, Sir, in this country according to the 1993/94 and 1994/95 reports, local authorities do not submit their accounts to the Controller and Auditor-General for audit as they are required under the Exchange and Audit Act. Since Independence, the County Council of Nyahururu has never submitted its accounts for audit. There are many other county councils that have never submitted their accounts for audit. It was interesting to hear the Minister for Local Authorities say earlier on this afternoon, that he will make sure that all local authorities will have money to pay for services and allowances of their councillors. This is a bit fool-hardy when he does not first of all make sure that, in fact, the accounts of these local authorities are audited to make sure that nobody is poaching money that would be expended in the manner that he envisaged.

Mr. Temporary Deputy Speaker, Sir, I think, the Government or the Ministry should move firmly to make sure that all local authorities submit their accounts for audit as is required by law.

In conclusion, because I would like to make room for other Members to make their views heard on this matter, I have, as stated earlier only picked a few examples of mismanagement of the economy, so that I can leave ample time for hon. Members, who I am sure have read the Report and are very keen to make their views known. But, let me stress that this Report makes shocking reading to all Kenyan patriots and friends. They are a minefield for the KANU Government, but more than that, they provide the *raison d'être* for our present man.

It is the mismanagement and corruption revealed herein that accounts for:

- (1) many failed Government projects;
- (2) the prohibitively high bank rates that are being charged in the country today;
- (3) the collapsing infrastructure through out the country;
- (4) the shrinking labour markets leading to hitherto heralded unemployment in this country;
- (5) lack of drugs in our hospitals;
- (6) ever escalating consumer prices which have put the basic commodities, like sugar and meat, beyond the reach of many Kenyan households.

(7) It is the mismanagement and corruption which has led to the total loss of confidence by the donor community in the ability of the KANU Government to manage its own affairs.

Mr. Temporary Deputy Speaker, Sir, there are billionaires in Kenya today, while there are also multitudes living in abject poverty. The millionaires have made their quick buck, through nefarious schemes involving Accounting Officers at the expense of the tax payer. Today, one could be forgiven for likening Kenya to Sir Oliver Goldsmith's Poem: *The Vanishing Village*, in which he says:

"Ill fairs the land, ills are at play, where a few grow wealthy and the majority wither and die."

Today, Kenya is the third most corrupt country in the world and the seventh poorest nation on earth. All this has come about due to mismanagement of public resources. Today, if you walk in the Kenyan streets, you will notice that hungry looks are on everybody's face. If you ask any person what his name is, he will most likely retort in Kiswahili, "Utanalipa nini bwana?"

In the country now, the crime rate is in its all-time high, in spite of the figures that were given in this House the other day by the Minister of State in the Office of the President. Why is the crime rate high? It is because the people are hungry.

Finally, there is the ever increasing proliferation of homeless children into our streets. Organisations dealing with this sort of problem cannot manage it alone. Likewise, hon. Shariff Nassir's weeping empathy for the street children cannot solve the problem either. This is a problem that must be addressed squarely by the Government. There must be stringent economic management measures, probity on the part of the Government and intensification in the collection of revenue. It is only through these measures that we will be able to address the problem and put in place, some sort of welfare systems that will help curb the problem of street children.

Above all, this Government must uproot corruption. Our ultimate aim should be to stand on our own feet and shun over-dependence on donor aid. The great French Philosopher, Walfar said in his book said:

"Every man must cultivate his own garden."

It is my submission that every Government must cultivate its own garden. Therefore, the Government of Kenya should look after its own finances.

With those few words, I beg to move this Motion. I would like to call upon the hon. Henry Obwocha to

Second the Motion.

Thank you.

Mr. Obwocha: Thank you Mr. Temporary Deputy Speaker, Sir. I am going to be very brief in Seconding this Motion, because the audit reports of the Controller and Auditor-General are self-explanatory. We have said in this House year-in year-out what should be done, but nothing seems to be happening. Kenyans feel very sad that the two most important Committees of this House come up with recommendations which are never implemented. For many years, if you look at the Treasury Memoranda, you will find that no action is even taken. However, the reason for not taking action on these issues is not given. The Chairman of the Public Accounts Committee (PAC) has touched on the most important areas, and I will only touch on three important ones.

Mr. Michuki: On a point of order, Mr. Temporary Deputy Speaker, Sir. Given that this is an annual ritual which we go through and nobody in authority listens to and no tangible action taken, will I be in order to move that the Mover be now called upon to reply? There is no point of discussing this Motion when no action is taken.

Mr. Obwocha: But the Motion has not been proposed! Mr. Temporary Deputy Speaker, Sir, I am not a Speaker, but the hon. Member is an old Member of this House and knows that the Question has not been proposed. You cannot put the Question before it is proposed. I think hon. Michuki knows that better.

Mr. Temporary Deputy Speaker, Sir, across the Bench, I can see the Assistant Minister for Finance, hon. Keah.

An hon. Member: It is not enough!

Mr. Obwocha: It is not enough, but we need to tell them. The problem with the Government accounting is that there has not been an up-dated bank reconciliation in almost all the Ministries. If you look at the book volume touching on accounting matters, you will realise that bank reconciliations are outstanding. You cannot know who owes you money and what you owe others, if you cannot reconcile your accounts.

Secondly, the Government has made many Kenyans bankrupt, because of pending bills. Year after year, the Chairman of the PAC has enumerated the figures. In 1993/94 pending bills amounted to £184 million. In 1994/95, the amount was £240 million, while the current figure is over £3 million. If the Government cannot pay for the services rendered to it, then how does it expect these businessmen to survive? Therefore, I submit that the issue of pending bills is a very serious matter in this country.

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

[Mr. Speaker resumed the Chair]

QUORUM

An hon. Member: On a point of order, Mr. Speaker, Sir. There is no quorum in the House.

(Mr. Speaker consulted the Clerk-at-the Table)

Mr. Speaker: Well, I am now informed that indeed, you are right to say that we have no quorum. Ring the Division Bell!

(The Division Bell was rung)

Mr. Speaker: Order! There is quorum now. Proceed, hon. Obwocha.

Mr. Obwocha: Mr. Speaker, Sir, the next issue that I wanted to comment about concerns the Electoral Commission. The Committee was unable to be convinced that the Commissioners were entitled to be paid sitting allowances for 365 days in a year. The Commissioners were drawing money on days and yet, they were not working. They were drawing money on Moi Day, Kenyatta Day, Christmas Day, Boxing Day and Sundays. It was not stopped until there was a General Election, when they would run around making things in order. It is not possible to be on duty for 365 days a year. I hope that the Accounting Officer will work out these figures and recover the money from these Commissioners. We believe that they were not entitled to those payments.

The rules and regulations governing the Electoral Commission are very clear. They state clearly when the Commissioners can be paid the sitting allowance, subsistence allowance and honoraria. I propose that the

Electoral Commission should be given its own Accounting Officer, and an accounting unit to handle their own affairs. This will enable the Controller and Auditor-General to know how much money has gone to the Electoral Commission, and what they have accounted for.

The Assistant Minister has said that this is going to be done from 1st of July this year. We are happy that, that is going to happen. Therefore, we want him to de-link the Accounting Officer of the Kenya National Assembly from the Accounting Officer of the Electoral Commission.

Mr. Speaker, Sir, the second issue that I would like to comment about concerns Government plots and houses. It is not possible for me to read the list of these houses. But if you look at the list, it includes almost, "who is who in this country". There were 505 houses which were given out in the 1993/94 Report, but they have now increased to 600. What bothers me was the behaviour of the former Permanent Secretary in the Ministry of Lands and Settlement, a Mr. Josiah Sang. I am happy that he was badly beaten during the elections in Buret, by another Mr. Sang. This is because, having that corrupt man in this House would have been a disgrace to this House.

In 1991/92, there were 194 houses which were given out. In 1992/93, there were 90 houses given out. In 1993/94, there were 148 houses given out, and in 1994/95, there were 73 houses, making a total of 505 houses. When we wanted, through the Office of the Controller and Auditor-General, to look at some of the files to ascertain who were the allottees and the money that they paid, he flatly refused to give us the files, particularly, the balance of 210 files which he completely refused to give to us. My concern is: If the Constitution of Kenya gives the President powers to allocate these houses, I have no quarrel with that. But my quarrel is: The people who are allocated these houses should pay for the value of those houses and plots, according to the valuation that is given by the Ministry of Lands and Settlement. If you look at some of the valuations, you will wonder! A government house on a two acre plot going at Kshs60,000! That is a gift! I do not know whether we should be giving these gifts to civil servants or not! I can assure you that if the Committee Report is implemented, these people will pay back the full value for the Houses. The Public Accounts Committee (PAC) recommended that these people should pay the value of those houses, if they have been legally given out. If they have not been legally given out, they should be re-possessed.

Mr. Speaker, Sir, I would like to touch on two issues under the Ministry of Finance. The first one concerns a company called Computer Applications Limited (CAL), appearing on Page 31 of the Report. They were given a contract through single sourcing, to supply computers to the Ministries and Customs Department. First of all, it was irregular to be given the contract on single sourcing. Instead of supplying computers to the Customs Department so that they could improve their services, they never supplied the computers! Yet, they were paid an advance payment of US\$3,122,118 and K£2,580,183-15, being 50 per cent of the total contract. Surely, I mean if you have been paid, for goodness sake, why not supply the goods? Or if you cannot supply, just refund the money! This money has been outstanding for a long time. In fact, I do not have to read all the recommendations and observations of the PAC, but the important one is:

In future, the Ministry of Finance should never give any contract to CAL.

That is on page 31. The Accounting Officer should not consider CAL as one of the companies to supply any computer equipment to the Government.

An hon. Member: But they are still bidding!

Mr. Obwocha: I am told that they are still bidding. I am sure that if they are bidding, then some corruption must be taking place. The Assistant Minister for Finance is here. I know him very well from Liverpool, where he was doing his Chartered Accountancy. He is a serious man, but what bothers [Mr. Obwocha]

me is, if you look at page 21 of the PAC Report of 1994/95, you will see what we call debits.

Mr. Speaker, Sir, these debits arise from the Pay Master General and this information is found on page 21 of the 1994/95 Public Accounts Committee Report. The people in-charge of finance in this country are unable to identify various debits in the Consolidated Fund Account to the tune of K£364,614,842. In the previous report, the amount is K£374 million, an equivalent of Kshs.7.7 billion. That is an amount of money somebody has paid out and he cannot identify who he has paid and you are now telling Kenyans that you do not have money to run the Treasury! Why is this issue outstanding for so long? Do you not have accountants in Treasury who can submit documents supporting these debits to the Controller and Auditor-General to clear them? If the money was "eaten", get the culprits and lock them in jail. Hon. Keah is smiling and I would like him to take these things seriously. He should ask his accountants to identify these anomalies. Tell us where the money has gone. It is a very sad situation.

I also want to touch on the issue of Government paying debts on behalf of certain corporations. In our deliberations, we asked for certain documents, so as to justify any services rendered to these corporations by the

Government, thereby resulting in the Government paying for these debts on their behalf. Mr. Speaker, Sir, we were unable to get any of those documents.

If you look at page 22 of the 1994/95 Report, you will see that the Government of Kenya paid, on behalf of the Government Press, Kshs430 million to the National Bank of Kenya. That was money paid for a press machine that was never delivered. This was during the period of the late Mr. Hezekiah Oyugi Ogango, the most corrupt civil servant Kenyans have ever seen. May God rest his soul in eternal peace.

Still further, the Government paid Kshs300 million to the National Bank of Kenya, on behalf of the Nzoia Sugar Company. For what services was this money paid? Does the Government owe Nzoia Sugar Company any money? The Government also paid K£7.250 million to the National Bank of Kenya, on behalf of the East Africa Sugar Industries. There are no documents to support that payment.

Now, coming to the Spare World, the Government paid Kshs287 million to the National Bank of Kenya. When we asked what the payment was for, we were told that it was for vehicles, but when we asked for the details of vehicles, they were not there.

The Government paid K£2.9 million to the National Bank of Kenya, on behalf of the Kenya Uniforms. Still reading on, the Government paid K£14 million on behalf of Cyper Enterprises, the company of the famous Jirongo. Hon. Jirongo is in this House and may be, he can help us answer some of these audit queries. I think hon. Jirongo can help since he is a Member of this House. He should tell us where this money went to.

Mr. Speaker, Sir, the story is sad. There is no point for me to read the whole Report, on what money was stolen and what money was not stolen. I think Kenya is at crossroads financially and we, as the leaders of this country, need to address this issue. We know that money has been taken out of this country and that, individuals and several other institutions owe the Government money. There is no point of chasing those people who earn very little money for Pay As You Earn (PAYE) while you leave the people who owe the Government millions and millions of shillings which can run the Government effectively. The other day, I told the Minister for Finance, that if one looked at our level of taxation and level of GDP, it is at 30 per cent. No country in the world has reached that level. What the Government needs to do is not to increase taxes in June, but to address the issue of the administration of the current tax levels, so that we can collect effectively.

Mr. Speaker, Sir, when we passed the Bill to establish the Kenya Revenue Authority, we expected the Government to take up the issue and remunerate the officers working there properly and give them good terms of service, so that they can be motivated to collect the taxes. Some of us are professional accountants and when we go there, they will ask for money so that they can work out the accounts of our clients. If they are properly remunerated, such issues will not arise. So, the Minister for Finance needs to look at this issue critically if he has to survive and if the country has to survive. We have reached a stage where parties should be put aside. Kenyans should come together and discuss the economy. We should discuss how we can move forward. Economically, this country is in the Intensive Care Unit. I want to be in the Government, but I do not want to take over a Government which is bankrupt. The people at home like my mother, Paulina Mandere, will not understand that I am not the one who has made the country bankrupt. These fellows will make it bankrupt, run away and leave me; and my mother will say: "Oh! My son, you have made the Government bankrupt!" So, we want a Government which is financially sound and not one which is lying on its back or its stomach. So, we should come together and see how we can move forward, so that we can help this country economically. By so doing, the economy will not collapse. Kenya is a good country and we do not want to destroy it.

With those remarks, I beg to second.

(Question proposed)

Mr. Ita: Thank you, Mr. Speaker, Sir, for giving me the opportunity to make my contribution on the Public Accounts Committee Report.

Mr. Speaker, Sir, I have two points to make on this Report. Having read this Report repeatedly during the weekend, I really got scared. As a new Member of Parliament, I really got scared and wondered where this country is going to. The reason why I got scared is on the realisation that these reports do not tell the whole story. They are just stating part of the story. I got convinced that they have just picked on some of the cases and then put them on record. If we look at the records on this Report, the story is very sad. It shows the seriousness of financial mismanagement in this country, year-in-year-out, with the recommendations of this Committee made year-in-year-out and nothing seems to be happening. Nobody seems to be listening. It is on this basis that I felt I should comment on this Report.

Mr. Speaker, Sir, today, money moves around the world in a flicker of a second through electronics. Money can move from New York to Nairobi in a second and money can move around the world in less than a

second through electronic wires. When I was elected to this House, one of the things which I was asked to investigate by my voters is: How many days does development money for Siakago Constituency take to move from Nairobi to Siakago? After every Budget, money voted for development in Siakago has never been forthcoming. People there hear that money for salaries has arrived. They hear that money for Recurrent Expenditure has arrived but when it comes to money for development, they have been waiting but the money does not arrive. So, they did ask me to find out. In fact, I asked the Minister for Finance to explain how long development money for Siakago takes from Nairobi to reach Siakago Constituency. He told me that he was going to investigate. That is a very interesting issue. After reading this Report, I am beginning to see, and it is a pity---

QUORUM

Mr. Mbitiru: On a point of order, Mr. Speaker, Sir. The Motion before the House is of national importance. Some people have stolen money in this country and people in Laikipia are suffering. How can we continue discussing this Motion when there is no quorum in this House?

Mr. Speaker: Yes, it is true we have no quorum. Ring the Division Bell.

(The Division Bell was rung)

Mr. Speaker: Order! We have a quorum now. Proceed!

Mr. Ita: Thank you, Mr. Speaker, Sir, for allowing me to continue. The point I was making is very important and of great concern to my people. This point was not addressed by the Public Accounts Committee. Neither was it addressed by the Controller and Auditor-General, although in passing, he did mention the irregularities at District Treasuries. However, I do not think that anybody has gone into depth to find out how long it takes to move money from the Treasury or Ministry headquarters to a particular project area. It takes, unnecessarily, very long. In fact, yesterday, when we were dealing with the Supplementary Estimates, I noticed that some money was allocated for my constituency. Yesterday, the House was asked to re-allocate this money because it has not been utilised. I also read in the Public Accounts Committee (PAC) Report that there were some projects which were delayed and, therefore, not implemented because the Government portion of the money had not got into the district treasury. The project could not, therefore, be implemented as the portion of the donor money could not be availed to effect implementation of the project.

So, Mr. Speaker, Speaker, Sir, this point should be dealt with in future by Treasury, the Controller and Auditor-General and the PAC. Somebody should "dig" into this question to find out how long it takes for money to reach the district treasury. My constituents told me that it takes two hours to travel to Nairobi. Therefore, we do not have to wait for four years for our share of development money for water, health services and roads from Nairobi to get to our constituency. That is the first point I wanted to make.

Mr. Speaker, Sir, the second point is that on reading these reports, I was puzzled as to whether PAC reports are written for the Government and its institutions who can read and understand. It is hopeless if these things are not listened to. According to those reports, cases of mismanagement were cited, recommendations made and warnings issued by the PAC and the Controller and Auditor-General many times and, particularly, in the two financial years under review. These recommendations are only comparable to flouting the provisions of the Constitution which were made three years back, but nothing has been done. Somebody continues to flout the Constitution year-in-year-out. Recommendations against flouting provisions of the Exchequer and Audit Act were made three or four years back but nobody seems to listen.

Mr. Speaker, Sir, I am shocked and doubtful as to whether we have a Government that listens. I assumed that when I join this House, I will make contributions that will be listened to, considered and matters raised acted upon by the Government. Now, if we are going to make contributions, speeches, debating year-in-year-out and making all kinds of noises, but nobody takes account of what Members say, then it is very disappointing and embarrassing. I would like to suggest to hon. Members on the Government side that we on the Opposition side, are trying to help them take note of the things they are supposed to investigate.

Mr. Speaker, Sir, when I made my maiden speech, there was one very important point I made: That one of the responsibilities of the Government is to listen to complaints raised by its citizens, investigate them and act appropriately with a view to doing something positive about them. It is pointless, really, for the public and Members of this House---

QUORUM

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

Mr. Speaker: Yes, what is it?

Mr. Kiunjuri: Mr. Speaker, Sir, the House is completely out of order. There is no quorum!

Mr. Speaker: Now, do not get out of order yourself. Can you let me count? Will you resume your seat?

An hon. Member: Is that true or false?

Mr. Speaker: Yes, there is no quorum. Ring the Division Bell!

(The Division Bell was rung)

Mr. Speaker: Order! We have a quorum now. Continue!

Mr. Ita: Thank you very much, Mr. Speaker, Sir. I think this lack of Quorum has really interrupted my contribution, and maybe with your indulgence, I will come back again and ask you to allow me to make my contribution when there is full Quorum.

Mr. Speaker, Sir, I would like to conclude my remarks by saying that the point I was making is that, as a new hon. Member of this House, I am getting very concerned as to whether we are speaking to a Government that listens. This is evident from the Reports of the Public Accounts Committee which have been written year-in-year-out, making specific recommendations on the flouting of the laws of this country, even the supreme law, the Constitution. The Public Accounts Committee has recommended against flouting of financial regulations and procedures and yet nothing happens. One is at a loss to know where we can go from there. This is a very serious matter. No wonder then, this country is in a mess. If we do not obey our own laws and procedures, then there is no reason why we should be pointing fingers at one another. We should really learn from that lesson because that is the surest way of putting this country into a mess.

Mr. Speaker, Sir, I will conclude my remarks at that point and hopefully--- I do not think this matter will end here, you will give me another opportunity to make my points again.

Mr. Speaker: Mr. Ita, I will guide you, just before you sit down. Under the House rules, this is the only time you can possibly talk on this issue of the Public Account Committee Reports for 1993/94 and 1994/95. Even if I wanted to give you another chance, the rule says no. So, you have the Floor. Continue!

An hon. Member: You seem to have run out of material.

Mr. Ita: Mr. Speaker, Sir, I have heard a hon. Member telling me that I have run out of material but I have got a whole page prepared on this issue. I think, I will terminate my contribution at this point.

Mr. Ndubai: Thank you, Mr. Speaker, Sir. I think this is a Report that Parliament should take seriously because the whole problem facing this country lies on what this Report has given. I remember saying yesterday that our Constitution is a contract between the citizens of this country and the Government of the day. Without the constitution, where is the partnership with the citizen? The contract must be performed by both parties. I remember saying yesterday that as citizens of this country, we have fulfilled our duty. We have fulfilled our contract terms but our Government has completely failed to perform its part of the contract. The reason why I am saying so is that, when you read this Report and see the amount of money being stolen from this nation, then you realise that this Government has failed totally. The only way to revive our economy is to have a strong Government with people capable of running and managing the Government without corruption.

The International Monetary Fund (IMF) has formed a unit of Highly Indebted Poor Countries (HIPC). This arm of the IMF has been formed with a view to helping the poor countries and, Kenya is among those countries which were identified to be helped by this organ. But because of corruption which is being experienced in this country, Kenya will not be considered for this facility for the next six years. We know of only two countries which have benefited; Uganda and Bolivia. Cote D'ivoire is in the process of benefiting, but Kenya is number six on that list to be considered for help by this unit.

Mr. Speaker, Sir, when we talk about the economy of this country, we must ask ourselves how we are going to revive our economy so that we can be considered by any international body. It is not my belief, and it has never been believed that this country shall continue begging for money from outside. I have repeatedly said that this country is able to sustain itself. It can be one of the countries which do not need to go round the world shopping for the money. What is left for us to do is to organise our economy. We can only organise our economy when the people who are entrusted with managing the economy do the job to the best of their ability. But because of the way our Government is formed, consisting of 28 Ministers--- We have a Minister for East African and Regional Co-operation. When I look at it, I do wonder what kind of a job that Ministry is doing. What will hon. Biwott be doing? We know we have a Minister for Foreign Affairs and two Ministers in the Office of the

President.

Mr. Speaker, Sir, we have the Minister for Foreign Affairs who deals with international affairs, but when we form another Ministry just to handle regional matters here--- If you look at the Budgetary provisions for that Ministry, you will agree with me that this country has a lot of wastage. It is time the Government listened and reasoned. It is the duty of the President to appoint his Ministers, but it is also my duty as a citizen of this country to say; "No, Mr. President." "What you are doing to this country is not right." I am neither disputing nor questioning the authority of the President to appoint his Ministers, but it is my constitutional right to tell him that, "Mr. President, you are misleading the country and you are driving the country into total collapse." This is because if this small country can have 28 Ministers, then we are not very serious with our economy.

On the issue of economy, I do not think that there is any country in the history of the world, where citizens of the country are left in the backyard of the economy. Our country is run by two groups of people. It is run by the Asian community who are about 85,000 people in this country. They control 85 per cent of our production industries in this country. The same Asian community controls the economy right from the workshop, manufacturing industries, supermarkets and shops but they are only 85,000 compared to a population of about 30 million people. The time has come to ask ourselves what kind of Independence we got in this country. No doubt we got the political independence but failed to get the economic independence and what we are demanding is the economic independence. There is no country that can survive only on politicking. We can survive in talking politics, but that cannot make our country economically strong. If we cannot make our country economically able, then we should ask ourselves if we were ready for the Independence? Were we ready to be independent from the colonial government? I will say no, we were not ready if our people are worse off than they were in 1963.

Take, for example, a small country like Botswana which last week, was declared to be the only country in the world with the highest economic growth rate of 8.7 per cent. The economy of a small country like that has been growing steadily for the last two or three years. The economic growth of that country is the highest, followed by China with 6.2 per cent. Surely, this is a country which is growing and is having a strong economic base. But when we talk of Kenya, when our growth rate is in the negative--- When it went up to 5 per cent, we were shouting all over. But I am talking of such a small country. Because corruption has been completely contained, that country can register such a high rate of economic growth. That growth rate was much higher than that of the economies of South Korea, Japan or even the USA itself, the world economic power. These countries are still behind Botswana in terms of performance, because corruption in that country has been completely eradicated. Botswana does not have many natural resources; it has only two mining sites to maintain the economy of the whole country and yet, it has managed to be the only country with the highest economic growth in the world. But here, we talk of agriculture and Tourism being the back-bone of the economy. But when we talk of Tourism, we are talking of colonial cowboys who are factory workers in Europe. They have saved for ten years to come and enjoy the fruits of our independence, for which we have worked for 35 years. But our people, who are supposed to be tourists in our own nation have not even seen the tree of independence, leave alone the fruits.

Mr. Speaker, Sir, what I am trying to say is that our economy is totally mismanaged. We have a collective responsibility; not to rip-off this country, not to take everything from the citizens of this country, but the responsibility of building this nation. We can only do that if we are committed and if the Government of the day can listen to what we are saying. When we try to correct the Government or point out something wrong, we are not trying to make the Government fail or fall. Our duty is to make the Government of the day perform to the best of its ability and in the interests of the people of this country. But when you look at what is happening--- If you listen to the radio today, the Head of State is very busy in the office. He and his cabinet must spend 90 per cent of their time working for this country. But you will find them in Kerio Valley, Meru, Maasai Mara, Mombasa, everywhere. How do they schedule their work? How does the President travel with his Ministers and other top civil servants every day, in all functions, and we expect the economy to perform? It will never perform until the Government gets down to work. when I talk of the Government, it is the President with his cabinet and permanent secretaries. But when you listen to the radio today, the President is attending the passing out parade of National Youth Service personnel and most cabinet Ministers must be there with him.

Mr. Speaker, Sir, the Government must realise that the world order has changed. I said yesterday that the world has become warm. There is no more cold war. We are living with a very warm world where we must work for the survival for this country. The time when you could run to Britain or the capitals of capitalist countries and get money is gone. We must sweat, work and be prepared to work for the benefit of this nation. The reason why I am saying that is because I heard the Minister for Finance saying how he would streamline the number of civil servants in this country. Thirty five years after Independence and the Government is thinking of reducing the work force! I have never heard of a Government in history trying to reduce the work force. Governments should instead look for ways and means of increasing the work force. But when our Government is trying to look for ways and

means of reducing the work force, you must ask yourself: Why is the Government unable to pay its workers after 35 years of Independence? What has gone wrong? Everybody, I believe even the President himself, knows that something has gone wrong. It is not a question of the present Government. Even the previous Government made a mistake. But we can never continue making the same mistake. A third President will not continue leading this country in the wrong direction, simply because the first and the second Presidents misled this country. Time has come when we should try and correct our mistakes. We can never continue building, cementing and living in previous mistakes. There is no doubt that the late President Kenyatta made a mistake. But do we continue making the same mistakes the founding father of this nation made? The answer is no. The best teacher is the student who cannot make the mistake of the previous teacher. That is why I say this Government has let us down and it has continued letting us down.

An hon. Member: Order!

Mr. Speaker: Order! Order! How can an hon. Member issue orders from there? The only lawful authority in issuing orders is Mr. Speaker! Order!

Mr. Ndubai: Thank you, Mr. Speaker, Sir. You will excuse him because he is new in this House.

Mr. Speaker, Sir, if one reads the Controller and Auditor General's Report, whom I believe has been in this country since Independence and he has been performing to the best of his ability, one will see that there is some problem in the country. I am not going to blame the Government. This is not a time of pointing fingers or name-calling, but a time to appreciate the problem and note that it has been caused by everyone of us. We have Members on this side who have been in the Government who should also be fully blamed for the problems this country is experiencing. It is not the Government of the day alone. It is a continuation of a problem which was created from the beginning and we must sit down and correct it. You can only be treated by a doctor when you accept that you have a problem. But when the Government continues telling the people that there is nothing wrong and that it is in control when it knows very well that it cannot even provide adequate security we may not find an solution to our problems. Yesterday, one hon. Member said he was very grateful that the Marakwet and Pokot elders had decided to settle their problems peacefully. I start asking myself: If elders can be left with the duty to settle their own problems and to make their own security arrangements, then we are heading to a very serious mess in this country.

I believe we have two ways of changing a Government. One is through the ballot box or moving a vote of no confidence in the House. The other method is through a revolution. If we cannot apply the two ways to change the Government of the day, then the Government should be told to provide security and collect taxes for revenue. The problem of this Government should not be on the levels of taxation but its ability to collect that tax.

It is the responsibility of the Government to protect the revenue collected. The revenue should be utilised in a proper way but not end up in peoples' pockets.

Mr. Speaker, Sir, the Ministry of Health has now been given Kshs1.2 billion by the Treasury to purchase medicine. The treasury released that amount of money without a tender because it was given out by some few individuals, headed by the Permanent Secretary without the knowledge of the Minister. Today, the affairs of the ministries are handled by the Permanent Secretaries and other staff, even a sweeper. There comes a time when the Minister waits to consult with a sweeper, for advice on who to award contracts. We have reached that stage and it is upon us to realise that the survival of this country lies with the Government of the day, the Opposition and all people of goodwill. All these people must get involved to make sure this country survives.

Mr. Speaker, Sir, this country can only survive if we learn from our mistakes. I talked yesterday about the bad state of the Ministry of Tourism, and I am glad my friend Hon. Ntimama is around today. The Tourism industry is supposed to be the second source of foreign exchange money and the backbone of this country, but actually it is not. An important section of this Ministry, the KWS, is being managed by a *Mzungu*, who was collected from Amboseli forest where he was handling the animals in the Amboseli Park. He was brought to the President for an appointment to that position. The President was convinced and he appointed him as the director of KWS. There is no doubt about the inability of this person to perform well in that position. When Dr. Leakey quit KWS, we were praising him for the amount of money he raised for the parastatal and how rich it was at the time. But I read last week that the KWS was asking for Kshs21 million to do some research. That money has already been eaten and mismanaged by that *Mzungu*. He has hired consultants for this work.

Mr. Speaker, Sir, nowadays, the KWS management has invented another formula of eating money. They do not use boards to issue contracts. They issue contracts of feasibility studies to consultants. These feasibility studies cover areas like how elephants living in Samburu can be moved to Maasai Mara. The consultants are asked to tell the life history of these elephants, so that they can be paid. But, instead of hiring the maais for this job, since they have lived with them for long, you go for expatriates to tell you how to move the elephants. There is something wrong with that.

Mr. Speaker, Sir, we must learn to control the economy, so that it does not land in the hands of such people. The citizens should play a big part in the running of the economy. The question of a *Mzungu* being a citizen is not an issue, as I believe they are paper citizens. There is no country in the world, including America, which is the most democratic country in the world, that would accept a foreigner to be a leader. The Jews who are economically powerful and politically able are not allowed by the American Constitution to be the President of that country. That office is left to the citizens of the country. Real citizens are people like Messrs Kamotho, Ntimama, Keah and Nyagah but not a *Mzungu* who is in the country by fate and has been naturalised to be a citizen and then issued with a permit through corruption. Real citizens are those ones who are right by birth and everything else. They are not those people like the Indians who call themselves indigenous. They claim to have been in the country for three generations.

Mr. Speaker, Sir, a real citizen is a man like Mr. Kamotho whose life history I can trace to the ancient times. But not an Indian who arrived in the country at the turn of the Century, 1899, to build the railway in Nairobi. I cannot accept them as citizens of this country. They can never be. I wish the Minister for Finance was in the House, so that he could listen and tell them about that. I respect the Minister for Finance, Mr Simeon Nyachae, because he is a senior citizen of this country and an able politician but I want to inform him that he has a big part to play on that matter. The Government has built strong relationships with the Indians. I request the Minister to delink himself from this relationship, so that he can perform well for the betterment of this country.

Mr. Speaker, Sir, the Minister has been trusted with the green bag of this country. He can never successfully carry that green bag if he is linked to the Indian community. The Indian community has shattered the economy of this country because they are involved in all corruption cases in this country. They range from the Goldenberg scandal to the supply of equipments to the Ministry of Health. The Ministry of Health was supposed to be supplied with medical equipments that could be used in the whole continent of Africa for five years, but some Indians never did that. This is the kind of corruption and mismanagement of the economy that we are talking about. I would not mind if an African Minister like Hon. Kamotho takes that kind of money, and I will be ready to applaud for him. But not for an Indian who takes the money from this country and moves to settle in Canada or rotates from Bombay to New York for settlement and abandons us with our problems here in Kenya. We are left struggling to survive.

Mr. Speaker, Sir, there is no single Kenyan Minister who has no connection with the Indians. I am neither here to point fingers at people nor call them names but it is the culture in this country for Ministers to be the god-fathers of Indians, so that they support them in their business activities. But the Indians will only respect the Ministers when they are in the office to facilitate their stealing. But the time the Ministers will be removed from their offices, I can assure them that the Indians will not even remember their names. If they cannot remember the names of Ministers who have helped them in their shady deals, do you think they will remember this country? They have no business to remember this country.

Mr. Speaker, Sir, I said yesterday that Kenya ranks number three on the corruption list in the whole world. Kenya follows Nigeria and Pakistan. The country is also rated third, after Mali and Zambia, as the countries whose standard of education is in a mess. Kenya is further rated third in terms of the countries with the highest taxation rates, after Israel and Singapore. Israel is justified to charge higher taxes on her people because she has had a persistent past history of war. But in Kenya, we have never had war as our relationships with all other countries have been cordial. I do not see how our taxes should be higher. I am yet to see a nation with higher taxation rates prospering in her economy. There is no country that can survive on higher taxation rates and have an able economy.

Mr. Speaker, Sir, we talk about Kenya being an industrialised country by the year 2020. In this case, who will be industrialised? I believe the Indian community will be the beneficiary. The Indians will be industrialised by the year 2020, but not Kenyans. Kenyans will still be confined in the *Kiosks*. If we want this country to be industrialised, we must think of how to make our people industrialised, because what makes a country to be industrial, is the people and not the country. But the setup, system and target of our Government is to industrialize foreigners but not our people. I request all Ministers to bring this matter of industrialization to the President in their next Cabinet meeting. We keep on talking vaguely about corruption which is very wrong. Corruption is brought about by the way the system has been set up. It is occasioned by lack of industrialization policies that target Kenyans to improve their standard of living. Even a Minister whose pocket is empty cannot avoid to be corrupt. Let us make our people industrialized, including Members of Parliament. We cannot talk of reducing corruption when most of our people are living from hand to mouth. About 14 million Kenyans live below the poverty line. We cannot boast of representing our people in this House, when our 14 million Kenyans are controlled by the 5,000 Indians. We are not representing the millions of Kenyans in this House, but a small community called the Asians.

Mr. Speaker, Sir, we might continue talking here on how best we can streamline our resources, but until the Government is committed to eradicating corruption, the situation will continue to deteriorate. As I said, the Constitution is a contract between the governed and the governors, but in a wide sense, the Constitution remains the property of the citizens. So, the Government is using the Constitution to intimidate the citizens and encourage corruption. The time has come when all of us must co-operate to eradicate corruption in our country and it can only be eradicated when our people are economically able. It is not possible to eradicate corruption when the majority of the people are poor. I wish to draw the attention of the House to the fact when Jesus Christ died, the 12 disciples were left without food. They experienced a lot of problems and decided to form a co-operative movement and Judas was their Treasurer. When Jesus Christ was about to die, the disciples realised that he was no longer going to convert water into wine or stones to bread and they formed a co-operative movement for their survival. We have reached that stage now in Kenya and I sympathise with my colleagues in the Front Bench because time is running out for their common "father". They must form a co-operative movement for their survival and the only movement they can form is to realise that this country is in a mess and hence the need to co-operate across the political divide to solve this problem for the benefit of all Kenyans.

Thank you, Mr. Speaker, Sir.

The Member for Kisauni (Mr. Maitha): Mr. Speaker, Sir, I rise to contribute to this Motion. As a new Member of this House, I have keenly followed the debates which have been going on in this House, and I have heard hon. Members condemn corruption in this country as the cause of all the problems we are experiencing today. We should not only address the issue of corruption, but instead explore ways and means of eradicating it.

Mr. Speaker, Sir, there is a deliberate move to "kill" the Kenya Ports Authority (KPA) which is generating a lot of revenue for this country. The Port of Mombasa which is supposed to handle more than 25 million tonnes per annum is handling only eight million tonnes because the money it generates as revenue is always taken by the Treasury, leaving it without any surplus to either purchase equipment or run its own affairs. The KPA came into existence in 1977 after the disintegration of the East African Co-operation (EAC). In 1986, the Government decided to be charging KPA the Corporation Tax. But since the KPA is an arm of the Government, it is unfair to levy such tax on it. The tax was backdated to very many years and the corporation has now paid to the Treasury over Kshs250 million. It is not fair for a corporation like the KPA to remit all its revenue to the Treasury thereby making it difficult for it to run its affairs. At the moment, the KPA is experiencing a lot of problems because the Government has kept on charging this tax. Although other corporations are charged this tax, the KPA is charged the tax every now and then.

Mr. Speaker, Sir, apart from the Corporation Tax which the Government is charging the KPA, the corporation is also forced to clear debts of the East African Harbours which were left behind. This is a very big burden to this corporation. The management of the KPA is also compelled to handle the affairs of the Kenya Ferry Services and to date, the KPA has given the Kenya Ferry Services some Kshs220 million so that it can run its own affairs. This has made it difficult for the KPA to run its affairs and that is why it has failed to increase the tonnage because it does not have any money to market its services or even purchase equipment to compete with other ports in the world. This is a very sad situation.

Mr. Speaker, Sir, the Government should ensure that revenue earned from various sources is ploughed back for the benefit of such institutions. The KPA has always been blamed for collecting a lot of revenue and diverting it elsewhere. The Government should exempt the KPA from paying Corporation Tax so that it can have surplus to run its affairs. If this is done, it will increase the generation of revenue and hence boost our economy.

Mr. Speaker, Sir, there are many things which are happening. The KPA built many houses at Mtongwe and the Department of Defence has taken over those houses and an agreement to pay the KPA for those houses has not been reached by the Department of Defence which continues to use these houses.

Mr. Speaker: On what page of the Public Accounts Committee Report are those many nice things that you are saying to be found?

Mr. Maitha: Mr. Speaker, Sir, I am talking about the misappropriation of funds which is found on several pages of the Public Accounts Committee Report. These are some of the misappropriation of funds that the Government is doing.

Mr. Speaker, Sir, as regards the Mombasa-Nairobi Road, you will find that motorists have a difficult time driving along this road. One takes about 13 hours to reach Mombasa because of the pathetic situation of the road. Even Members of Parliament from the Coast cannot drive their Mercedes Benzes to Mombasa. I saw hon. Madoka's Mercedes Benz in a *Jua Kali* garage being repaired because all the its tyres had burst. You see!

The Minister for Local Authorities (Prof. Ogeri): On a point of order, Mr. Speaker, Sir. Is it in order for hon. Maitha to denigrate the *jua kali* sector which he knows is an exceptional and acceptable mode of living in this country and yet he is one of the beneficiary of it?

Mr. Maitha: Mr. Speaker, Sir, I expect a *jua kali* garage to be a third class garage where a Minister's car cannot be found.

Mr. Speaker, Sir, due to misappropriation of funds, you will find that even though the Government with the assistance of the World Bank, is trying its best to have the Mombasa-Nairobi Road repaired, the road is still in such a pathetic state that commuters coming from Nairobi to Mombasa and vice-versa are finding it very difficult to travel on this road.

Mr. Speaker, Sir, the Coast General Hospital which should be the best hospital at the Coast, has run out of facilities. It is the dirtiest hospital in the country. It does not have anything. Three patients sleep in one bed. Expectant mothers in the maternity wing sleep on the floor. They do not even have blankets or sheets although we keep on approving in this august House the votes of the Ministry of Health.

Mr. Speaker, Sir, if we go by what is happening, you will find that Government Ministries are confused. For example, the Ministry of Public Works removed all the toll bridges which were meant to collect funds for the upkeep of certain bridges like the Nyali Bridge, Mtwapa Bridge and so on. These toll bridges were removed and replaced with the Petroleum Levy. However, you will find that people are still paying money to cross Likoni ferry. It is unfortunate to have a Minister who does not think that Likoni ferry is also a bridge and people are being overcharged by paying the Petroleum Levy and again being made to pay charges at the Likoni ferry. The Ministry of Transport and Communications should request the Ministry of Public Works to allocate money from this Petroleum Levy Fund and stop charging motorists crossing---

Mr. Speaker: On what page of the Public Accounts Committee Report is that information to be found?

Mr. Maitha: Mr. Speaker, Sir, look at the page where the money was "eaten"! Since my time is up, although this is my second time to contribute in this House---

Mr. Speaker: Continue, Mr. Maitha!

Mr. Maitha: Mr. Speaker, Sir, I am yet to believe that the Government is serious in ensuring that implementation of development projects is seriously adhered to. Some three years ago, the Mtwapa bridge which was built by Sumitomo developed a crack and it is now sinking and yet the Ministry for Transport and Communications officials went there to inspect this crack. The Minister of Transport and Communications has never brought any report here in this House about that bridge. When you go to that bridge, you will see that it is different from the way it was originally built and yet it is the work of the Ministry of Public Works and Housing to report and allocate money for repairs that are to be done on all the bridges.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. You have heard yourself hon. Maitha saying that the bridge constructed by the Japanese experts is sinking; that the Japanese Government funded a shoddy job. Since Japan is the biggest bilateral donor to our country, why did they do a shoddy job? If they can do such a shoddy job, then we have a problem. Can he substantiate that that bridge is collapsing so that we can get a reply from the Minister concerned?

Mr. Speaker: What Mr. Maitha actually said is that the bridge is sinking. So, can you prove that it is sinking?

Mr. Maitha: Mr. Speaker, Sir, hon. Gatabaki needs to come to Mtwapa which is in my constituency and take pictures if he wants and then he can report it in his beautiful magazine instead of attacking politicians.

Mr. Speaker, Sir, I want the Minister concerned with this issue to take action. We cannot entirely blame them because we have experts in their Ministries headed by the Permanent Secretaries and engineers who just sit in their offices without advising and informing them on what is happening on the ground. I have read this Public Accounts Committee Report and I have noticed how money was being squandered. Although politicians are blamed always, we have intellectuals who should advise us.

Mr. Speaker, Sir, I will end up by saying that the Government should take seriously the development of this country. Thank you, Mr. Speaker, Sir.

Mr. Speaker: Mr. J. Nyagah, you only have five minutes if you would like to contribute!

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, for record purposes, this is my second time to contribute and any hon. Member is free to interrupt me if he so wishes since I have already made my maiden speech.

Mr. Speaker, Sir, I have read the Public Accounts Committee Report and I will start by, first of all, thanking the Members of the Committee for a job well done. A job well done in the sense that they took their time and spent a lot of time working on it and they have told us many, many things.

Mr. Speaker, Sir, the second point that I would like to make is that Kenya is potentially a very rich country. It has great potential. In my view, Kenya will go a long way if we can solve some of the problems that this particular report has pinpointed. In addressing the issues raised in this Report, I hope hon. Members will be

guided by the spirit of co-operation that has developed in this House in order for us to make positive suggestions.

I would appeal to hon. Members to make positive contributions in this House, knowing that there are problems which we must address. I have a few suggestions which, I think, will help the Committee in compiling its Report in future. First, I wish to refer to the role of the civil servants in the preparation of the Report. I would urge the Accounting Officers to provide as much information as possible to the Committee in future. When I was in the Government I was convinced that the Government was not always bad as it was made to appear. Very often, there is lack of proper explanation by the Accounting Officers. In the private sector, if an auditor asks for justification of incurring extra expenses in the company, there are documents to show why things were done in that way. So, in the end, he will satisfy auditors to ensure that his accounts were not qualified. One of the reasons why we have a document of this volume is because the Accounting Officers, who are supposed to explain accounting matters of their Ministries and Departments, do not understand them. During the days when I appeared before the Public Accounts Committee, I used to carry with me many documents and I would explain all pertinent issues to the Members of PAC. I was scared of issues which I could not explain to them properly. So, that is the point I wanted to make and hope it will help the Committee. It is my hope that, in future, we will not get a Report of this volume. It is possible to reduce it to a book of 300 pages instead of 600 pages.

Secondly, one of the problems experienced by the Government is that when it negotiates for loans from the World Bank and the IMF, it enters into a contract by which it is supposed to provide counter funding. The Government should not enter into any financial agreement unless it is sure of providing its portion of the funding. Today, we have problems with the World Bank and the IMF. We are accused of misappropriating our funds. They make us appear as a bunch of fools when we are not! Kenyans are very clever people. All we need to do is to make sure that officers who are charged with the responsibility of negotiating for loans do not make any commitment, unless they are sure that the Government portion of funds is available.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Although we are listening to this Government Minister, our understanding is that there is collective responsibility. Is it in order for a Cabinet Minister to come to this House and wash dirty linen of His Excellency the President's very poorly managed Government, in public?

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, we are very lucky because we have able Ministers. I know that my good friend will never become a Minister in the near future.

(Laughter)

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. I will not accept a Ministerial position in the Government of KANU, but I will be a Minister in the next Government by the Opposition.

Mr. Speaker: That is not a point of order. It is your opinion!

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, I was not washing our dirty linen in public. I was making an extremely positive contribution so that the KANU Government can continue ruling forever.

Mr. Speaker: Very well, Mr. Nyagah. You will continue next week. The House business is over. It is now time for Members to raise their personal matters!

PERSONAL STATEMENTS

CLASH BETWEEN POLICE AND TOUTS

Mr. Mwenje: On a point of order, Mr. Speaker, Sir. I stand under the provisions of Standing Order 20(A)(1) on a matter of national importance.

Mr. Speaker: Mr. Mwenje, you are getting it all wrong. That Standing Order allows for a Personal Statement by an hon. Member. You are quoting the wrong Standing Order!

Mr. Mwenje: Last night, askaris from Nairobi City Council and Administration Policemen invaded hawkers in Nairobi at Machakos Bus Station and demolished their kiosks. Today, there was a serious clash between hawkers and askaris which resulted, I am told, in the death of one person. Last week we had a clash between the urchins and policemen where one watchman and a number of urchins were killed.

It is time for the Ministry of Local Authorities to tell us what they want to do with hawkers. Hawkers are genuine in their business. However, they are harassed by City Council askaris, yet they have been issued with licences to conduct their businesses. If they are not allowed to continue hawking, then they will become thieves,

muggers and robbers in this City. It is a time bomb! The Ministry of Local Authorities should tell us why they are harassing hawkers who are doing genuine business without giving them an alternative site where they can display their wares. The situation is very serious. I call upon the Minister for Local Authorities and Nairobi City Council to desist from harassing hawkers. An hon. Member accused us of inciting them to defend themselves when they are harassed. What can we tell them to do when they are harassed? Their only source of livelihood is being destroyed at night. What is expected of such people, whose business premises have been destroyed?

We have to bear in mind that hawkers are citizens who should earn their living just like any other Kenyan. It is ironical that we allow foreigners to do business here and yet we continue harassing small-scale businessmen. The Report of PAC shows that a lot of money has been looted by the "fat cats". The looters of public coffers are not taken to court, but hawkers who are doing genuine business are harassed by City Council askaris. Could the Minister for Local Authorities tell us what he is going to do with the hawkers?

Mr. Speaker: Order, hon. Mwenje! When you get your two minutes, I will "harass" you if you do not sit down. Prof. Onger, would you like to reply?

The Minister for Local Authorities (Prof. Onger): Thank you, Mr. Speaker, Sir. First, the issue raised by hon. Mwenje is misplaced. The clash is not between the City askaris and touts. It is a clash between the police and touts. Hon. Mwenje should be in a position to differentiate touts from hawkers.

Mr. Speaker, Sir, the position is as follows: Yesterday, a lady who was going to Busia was molested and robbed of Kshs200 at the Machakos Bus Stop. Her postal keys were also stolen and her dress torn. The security forces moved in and arrested three touts who were purported to be the perpetrators of this crime. I do not think that the hon. Member will suggest that crime must abound in this City. In the process of arresting the suspects, a scuffle arose. Touts at Machakos Bus Stop, this morning, barricaded the Bus Stop to prevent vehicles heading to town. The security forces moved in to quell the situation. However, the touts proceeded to Kirinyaga Road and River Road, where they broke into two shops and stole goods from a regular retailer. A great deal of damage was done. Consequently, 85 of them were arrested and will appear before court. Three of them were found with *bhanga*.

In the first instance, I want the hon. Member to appreciate that it is not the hawkers who were fighting with the security forces. In fact, the process of removing hawkers from the Central Business District must continue because there are *bona fide* retailers who are entitled to do decent business there.

As for the location of hawkers, I have said that the Ministry of Local Authorities has allocated, and will continue to allocate hawkers sites in other areas, including Dondora and Dagoretti.

Mr. Speaker: Order! Order! Members must understand that this is zero hour. The House has risen, therefore, we are not transacting Business. Order, Mr. Gatabaki! Sit here like the rest of the House and hear what Mr. Mwenje or the Minister for Local Authorities have to say. If you do not want to listen to them, you can leave.

The Minister for Local Authorities (Prof. Onger): Mr. Speaker, Sir, if hon. Gatabaki cares to check his facts, I invite him to go to River Road now. If he is careful, his shirt will not be torn, but if he is careless, he might lose more than just his shirt. That is the kind of hooliganism that we cannot afford to have in this city. We will not accept the position where people want to engage in the kind of hooliganism that will destroy this city, and yet we are trying to build up the image of this city.

ADJOURNMENT

Mr. Speaker: Order, Members. It is now time for us to adjourn the House. The House is adjourned until Tuesday, 28th April, 1998, at 2.30 p.m.

The House rose at 6.35 p.m.