NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 28th April, 1998

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Ouestion No.009

REOPENING OF KENYA MEAT COMMISSION

Mr. Sankori asked the Minister for Agriculture:-

- (a) when the now renovated Kenya Meat Commission will become operational to enable farmers sell their livestock; and,
- (b) what alternative plans he has for livestock farmers in the event of further delay in opening the factory.

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

- (a) The Kenya Meat Commission (KMC) is currently heavily indebted and, therefore, in its current state it cannot operate viably.
- (b) The Government is looking for a strategic partner to go into a joint venture with the KMC on a commercial orientation. In the mean-time, farmers are encouraged to sell their animals to private abattoirs.
- **Mr. Sankori:** Mr. Speaker, Sir, it is so sad that a whole Government Assistant Minister is throwing the entire nomadic community into the hands of "wolves" called private abattoirs. We have got the Kenya Tea Development Authority (KTDA), Kenya Dairy Board and Coffee Board of Kenya (CBK) representing respective farmers in the country. What has happened so that since we attained independence from the British we do not have an authority that takes care of livestock rearing tribes?
- **Mr. Wamukoya:** Mr. Speaker, Sir, the Government cares for the interests of everybody in Kenya, including the nomadic tribes. It is the existing conditions of heavy indebtedness that make the KMC unviable.

Secondly, there are other conditions which make the KMC in operational. For example, the European Union plans to investigate the residues of every animal that would be slaughtered by the KMC. This makes it very expensive for the Government of Kenya to operate the KMC.

- **Mr. Shaaban:** Mr. Speaker, Sir, could the Assistant Minister tell us what happened to the Kshs200 million that was recently invested in the KMC? Could he also tell us the status of the KMC right now? Has the money gone into somebody's pocket or were those machines which were bought vandalised and taken away? He is not giving us any hope, despite the fact that the Government recently invested heavily in the KMC.
- **Mr. Wamukoya:** Mr. Speaker, Sir, at the time of refurbishment, that is in 1992, the KMC was already in a debt of Kshs120 million and this debt has grown to Kshs427 million. At the same time of refurbishment, the Government spent Kshs429 million. Now this puts the debt at Kshs800 million. On top of that, Mitsubishi Corporation equipped the KMC at a cost of US \$3.3 million. These are the debts which are making it impossible to operate the KMC.
- **Mr. Munyao:** Thank you Mr. Speaker, Sir. I was just listening to the Assistant Minister to confirm that matter. The information we have is that the Government of Kenya spent Kshs200 million and the Mitsubishi Corporation invested Kshs500 million in KMC, giving a total of Kshs700 million. Will the Assistant Minister confirm that the reason why the KMC is not operative is due to lack of holding ground for the animals? The Government has sold all the holding ground around the KMC.
- **Mr. Wamukoya:** Mr. Speaker, Sir, that cannot be the reason for the closure of the KMC because there are so many holding grounds around the factory which can be used. If that was the problem, then it would be easy to sell the animals to the KMC for slaughter.

- Mr. Speaker: Final question, Mr. Sankori!
- **Mr. Sankori**: Mr. Speaker, Sir, could the Assistant Minister confirm or deny that after the factory was renovated the Government only required about Kshs150 million to buy livestock so that the KMC could become operational? We know very

well that there are people at the KMC who are earning their monthly salaries without doing anything. Why then, can the Government not declare the KMC bankrupt and put it under receivership so that anybody can buy it?

- **Mr. Wamukoya:** Mr. Speaker, Sir, that is why I said that we are looking for a strategic partner to go into business with the KMC, so that we can salvage it.
- **Mr. Sankori:** Mr. Speaker, Sir, the Assistant Minister is evading my question in which I stated that only Kshs150 million is required to pay the farmers. Could he confirm or deny that?
- **Mr. Wamukoya**: Mr. Speaker, Sir, Kshs.150 million is a lot of money. Whether it is available or not, I cannot tell this House right now.

Question No.023

COMPLETION OF WERU TEA FACTORY

Mr. Mutani asked the Minister for Agriculture:-

- (a) whether the he is aware that all tea factories bordering Nithi Constituency in both Embu and Imenti are congested and that tea leaves in Nithi are going to waste owing to delays in transportation from collection centres to the factories; and,
- (b) if the answer to "a" above is in the affirmative, when the new Weru Tea Factory in Nithi Constituency will be completed in order to ease congestion in the other factories.

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

- (a) Yes, I am aware
- (b) Due to the congestion at Kinoru Tea Factory and other factories in the region, and in order to ease this congestion problem in Nithi Constituency, a leaf base is being constructed at Weru Factory site. The construction of the Weru Tea Factory will commence once the Kenya Tea Development Authority (KTDA) has secured funds from the lenders.
- **Mr.** Mutani: Mr. Speaker, Sir, bearing in mind how serious the Government is in tax collection, and since tea is wasted at the tea collection centres, will the Assistant Minister provide more trucks to carry tea leaves to the factories before Weru Tea Factory is completed?
- **Mr. Karauri:** Mr. Speaker, Sir, presently, there are 12 trucks for this purpose. In any case, if the Kinoro Factory can purchase more vehicles, the factories in the hon. Member's constituency can also do the same.
- **Mr. Mutani:** Mr. Speaker, Sir, I thank the Assistant Minister for his reply. He said that there are 12 trucks for collecting tea leaves in my constituency. But if you go there, you will find that a lot of tea leaves are going to waste. Some are even dumped on the roads to act as bumps. How are the 12 trucks used? They are not capable of transporting tea leaves to the factories.
- **Mr. Karauri:** Mr. Speaker, Sir, to the best of my knowledge, the vehicles were bought for that purpose. If they are not utilised properly, we can check that.
- **Mr. Michuki:** Mr. Speaker, Sir, is the Assistant Minister aware that the problem of collecting tea leaves from buying centres is country-wide, and that over 20 per cent of tea which is fertilised, picked and delivered to the tea collection centres is going to waste?
- **Mr. Karauri:** Mr. Speaker, Sir, I am not aware that the problem is country-wide. If there are any problems in any part of Kenya, tea factories are to blame. This is because they have been mandated to purchase the vehicles that they think are enough for tea leaves collection.

Ouestion No.002

REHABILITATION OF KAHUTI WATER PROJECT

Mr. Michuki asked the Minister for Water Resources:-

- (a) when the rehabilitation of Kahuti Water Project Phases I, II and III will be implemented; and.
- (b) why the project has taken so long to be brought into effect, despite the fact that the

Government is aware of the acute shortage of water prevailing in the area.

Mr. Speaker: Since the Minister had asked for more time to bring an adequate answer, and the hon. Member was made aware of it, I have no other option but to defer the Question to Thursday.

(Question deferred)

Question No.037

LOCAL AUTHORITIES DEPOSITS IN TRADE BANK

Mr. Speaker: Hon. N. Nyagah has also requested that his Question to be deferred until Thursday.

(Ouestion deferred)

Question No.020

NUMBER OF KENYANS IN NEED OF ARTIFICIAL LIMBS

Dr. Leakey asked the Minister for Health:-

- (a) what the current Government estimates are for the number of Kenyans who are in need of artificial limbs; and,
- (b) what provision of prosthetic aid to this category of the physically challenged the Ministry has put in place.

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

- (a) The current Government estimates for the number of Kenyans who are in need of artificial limbs is between 125,000 and 200,000.
- (b) For the provision of prosthetic aid, the Ministry has a rehabilitation team composed of physiotherapists, occupational therapists and orthopaedic pathologists at national, provincial and district hospitals. The team is backed by a network of 35 orthopaedic workshops around the country.
- **Dr. Leakey:** Mr. Speaker, Sir, could the Assistant Minister agree with me that in the modern world, and at the end of this century, to have as many limbless people as we have, with totally inadequate services for them, is a shame and something must be done more than what the Government is currently doing?
- **Mr. Criticos:** Mr. Speaker, Sir, I am not aware of what the hon. Member is talking about. But according to our facts, we have adequate facilities for this country. I would like to add that the people cannot afford the orthopaedic limbs, which are not comparable to bionic limbs which hon. Leakey has.
- **Mr. Ndicho:** Mr. Speaker, Sir, is the Assistant Minister aware that there is no anti-snake venom in hospitals today? Many people from Nyanza and Eastern Provinces---
 - Mr. Speaker: Order!
- Mr. Ndicho: But I am coming to my question! I do not know why you do not want to listen to my question!
- **Mr. Speaker:** Order, hon. Ndicho! We both know that you have already put a Question in those lines, waiting to be answered next week. So, will you deal with the relevant one now? You know that I know it!

(Laughter)

- **Mr. Ndicho:** I did not know that, Mr. Speaker, Sir! Is the Assistant Minister aware that there are more cases of Kenyans who have no limbs, and that the figure that he has given is not correct?
 - Mr. Criticos: Mr. Speaker, Sir, I am not aware.
- **Prof. Anyang'-Nyong'o:** Mr. Speaker, Sir, following the answer to Dr. Leakey's Question, could the Assistant Minister explain to the House more clearly, what prosthetic aid is, and the extent to which Non-Governmental Organisations (NGOs) are supplementing the Government efforts to provide those in need of artificial limbs?
- **Mr. Criticos:** Mr. Speaker, Sir, we do have seven organisations which supply limbs. They are: The Ministry of Home Affairs, National Heritage, Culture and Social Services, which is the Government, United

Nations High Commission for Refugees, Rotary Club of Nairobi South, The International Committee of the Red Cross, Kijabe Mission Hospital, Presbyterian Church of East Africa, Kikuyu Hospital and the Association for the Physically Handicapped at the Coast. Like I said earlier, we also have various workshops to cover the whole country, which are 35 in total, plus seven NGOs.

Dr. Leakey: Mr. Speaker, Sir, I would like to put to the Assistant Minister that in reality, if you suffer the loss of a limb, the only way you can get treated adequately in this country with prosthetic aid, is to be a refugee. Certainly, at Lokichoggio, there are excellent facilities, but there are not available to Kenyans that I am aware of.

Mr. Criticos: Mr. Speaker, Sir, I would like to make it very clear to this House that what I have given is actually what is happening on the ground, unless there is some other evidence which the hon. Member can produce before this House.

QUESTIONS BY PRIVATE NOTICE

ALLOCATION OF PLOT S707 TO SDA CHURCH

Mrs. Mugo: Mr. Speaker, Sir, I beg to ask the Minister for Lands and Settlement the following Question by Private Notice.

- (a) Is the Minister aware that Riruta Muthiora Combined Women Groups with over 800 Members, were allocated Plot No. LR Dagoretti/Riruta S707 and that LR Dagoretti/Riruta S961, has been reserved for Jua Kali Sheds, primary school and a stadium?
- (b) Is he further aware that LR No.S707 has been earmarked for a proposed maternity hospital, the expansion of the existing nursery school and other social amenities for the local community?
 - (c) In view of the above facts:
- (i) Under what circumstances was the said plot, S707, allocated to the East African Union, Seventh Day Adventist (SDA) Church?
 - (ii) In order to avert eminent bloodshed and loss of lives, could the Minister direct the Commissioner of Lands to issue title deeds of the said plot S707 to the 16 women groups in Dagoretti, and Plot No.S961 to the Ndurarua Primary School in accordance with the recommendations of the Sub-DDC of Dagoretti and the DDC Nairobi, and as per our discussions of 8th April, 1998?

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

- (a) There are no records in the Ministry showing that Riruta/Muthiora Combined Women Groups were allocated Plot No.LR No.Dagoretti/Riruta S707; and that LR. Dagoretti/Riruta S961 has been reserved for Jua Kali Sheds, primary school and a stadium.
 - (b) I am aware that LR No.S707 was planned for social amenities for the local community.
 - (c) In view of the above:
- (i) Plot LR No.S707 was allocated to East African Union, SDA Church in September, 1995, to build a church and the pastor's residence.
- (ii) Title deed for Plot No.LR No.S707 has already been issued to the SDA Church. For the Plot S961, it was issued to Kawangware Cinema Limited in April, 1983. Therefore, it is not legally possible to issue another title deed for either of the plots.

Mrs. Mugo: Give me a minute or two to give a bit of background information on this issue which will show that these women have had the plot since 1964. There are letters written to the Attorney-General from the Ministry of Lands and Settlement and the Attorney-General admits that this plot was wrongfully allocated to SDA. If justice is not done here, I am afraid there will be bloodshed. The women have said they will not move from there.

Mr. Speaker: Mrs. Mugo, I understand your problem. What you could do, if you have the letter that you would like the Assistant Minister to refer to, is put the question to him as you table it. I am trying to understand because you are new. Understand that I am teaching you.

Mrs. Mugo: I am willing to learn. There is a letter addressed to the women groups by the SDA Church asking them for permission to use their plot for prayer. There is another letter from the SDA assuring the Commissioner of Lands that they have no wish of applying for this plot. The letter is dated 7th April, 1994. There is another letter dated 20th August, 1996 from J.A. Njogu, for Permanent Secretary, Ministry of Lands and Settlement, written to the Attorney-General requesting for time to investigate the anomaly above and

acknowledging the irregularity of the allocation. There is still another letter dated 24th February, from the Permanent Secretary, Ministry of Lands and Settlement, to the Commissioner of Lands, advising him to revoke the allocation of the plot to SDA. The Commissioner of Lands in turn writes to the District Officer in Dagoretti saying that the women should not be evicted from the plot. Following that, there is a letter to the Permanent Secretary, Ministry of Lands and Settlement, from the women advising him that they have been given a notice to be evicted. There is also a letter from me, as the area Member of Parliament, asking the Minister for Health to accept the letters and revoke the title deed. Now, is the Assistant Minister not misleading the House by saying that he has no records in his Ministry, whereas all those letters are in the Ministry? When the President visited Dagoretti during the elections, when Mr. Kamuyu crossed to KANU, he assured the women that the plot would be returned to the women and now, it looks like the Ministry is taking an about-turn. There are also minutes from the DDC affirming that the women own the plot and have developed it.

(Mrs. Mugo laid the documents on the Table)

Mr. Speaker: Order! There must be a limit as to how long I can teach.

Mr. Leting: Mr. Speaker, Sir, I still confirm that I have the records for the answers that I have given. For example, I have an allotment letter dated 9th September, 1995 which was written to the SDA church and they have already got the title deed. This is a copy of the lease. I also have the allotment letter for the Kawangware Cinema Limited which was written in 1981.

Mr. Maitha: On a point of order, Mr. Speaker, Sir. The hon. Member has clearly said that she has evidence that the Ministry of Lands and Settlement wrote to those women. Why can the Assistant Minister not take these letters and refer to them instead of referring to other documents?

Mr. Speaker: Order! Order, Mr. Maitha! A document placed on the Table does not obligate any Member to read it.

Mr. Leting: Mr. Speaker, Sir, I further learnt that the combined women groups from Riruta and Dagoretti have taken the new allottees to court. The case is still going on and I cannot say much. The case No. is PMCC, 1988B of 1996.

Mrs. Mugo: I believe that the Assistant Minister is misleading the House and I insist that he gives the correct answer.

Mr. Raila: Mr. Speaker, Sir, cases of double allocation of plots in this City are prevalent. This is a case where the left hand of the Government does not know what the right hand is doing. Over the weekend, tenants of a plot in South "C" Shopping Centre were forcefully evicted by illegal land grabbers in spite of the fact that the area DO had assured me that the land was going to remain the property of the kiosk owners. This was a case where this was the only public land where there was a public toilet. Would the Assistant Minister heed to my earlier advice that all these allocations, most of them illegal, be suspended until the Ministry of Lands and Settlement has carried out comprehensive investigations to ensure that innocent citizens are not victimised?

Mr. Leting: Mr. Speaker, Sir, I did not get the question.

Mr. Raila: Mr. Speaker, Sir, we expect the Assistant Minister to be listening when we are addressing the House through the Chair. In view of the many cases of double allocation of plots in the City, most of them illegal, including the one in South "C" where a plot with the only public toilet in the whole of that area has been grabbed and the tenants forcefully evicted, would the Assistant Minister consider suspending all allocations until the Ministry of Lands and Settlement has carried out comprehensive investigations to establish legal ownership of the plots? Most of the servants who work for the Asians there have no other public toilet because the Asians do not allow them to use the toilets in their houses.

Mr. Leting: First of all, I am not aware of the South "C" case, but I would like to assure the House that we will deal with each case as it comes. We cannot suspend all the allocations.

Mr. Anyona: Mr. Speaker, Sir, in part (c)(ii) of the Question, there are words to the effect that there is danger of imminent bloodshed and loss of life involved in this Question. That is a very serious matter for this Parliament. If Kenyans, because of some little wrangles about land, are going to resort to violence--- In view of the gravity of that matter, and given part (c)(i) of the Question which states: Under what circumstances was the plot allocated.--- The Assistant Minister has not come out clearly about the circumstances. First of all, there is bloodshed which is being threatened and secondly, this is a church, these are people of God and there is an indication that there is some corruption involved. I do happen to have the lease and the search to show that this plot was vacant. But that is neither here nor there. Here are two groups of Kenyans who might come to blows over some error made. Could the Assistant Minister take this matter much more seriously and come up with a

solution that will not result in bloodshed?

(Mr. Anyona laid the documents on the Table)

Mr. Leting: Mr. Speaker, Sir, I thought the one where bloodshed is supposed to be imminent is---

Hon. Members: Both plots!

Mr. Leting: Mr. Speaker, Sir, even if we assume that it refers to both---

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this House, when we know very well that as per the records tabled by hon. Mrs. Mugo, this refers to both plots? We also know that these were the reasons which made hon. Kamuyu defect to KANU. On that day, Kamuyu said: "Mzee, hayo mambo yakikubaliwa, mimi nitakubali kuja KANU." Na ye Mzee akasema: "Kama Kamuyu amekubali, hata mimi ninakubali!" We know that this happened. The gracious lady has the documents and the Assistant Minister is now lost because the records prove that fact!

Mr. Speaker: Mr. Ndicho, that is not a point of order! Mr. Minister, you do not have to respond to that.

Mr. Mwenje: Mr. Speaker, Sir, in view of the gravity of the matter, that there is imminent bloodshed as shown in the Question, could the Assistant Minister confirm to this House that he is going to take the matter up immediately to resolve that issue?

Mr. Speaker: Before the Assistant Minister answers, if hon. Members really care to read several rulings made since Independence in this House, it is out of order for any hon. Member on the Floor of this House to encourage the breach of law and order. It is totally out of order. You can use any other word, but I do not encourage it. The Chair discourages Members from using the Floor of this House to encourage the breach of law and order.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. I think you are right. In view of your ruling, could we have those words actually expunged from the Question?

An. hon Member: No! no! No!

Mr. Speaker: Order, hon. Members! It is not for you to say "yes" or "no". That is for the Chair to decide. The Chair has said that you cannot use the Floor of this House to incite people to violence. Maybe, the best thing we could do is to say that; "there is a threat of imminent violence". That should convey the message the hon. Member wanted to put across. I think the Minister has agreed. So, for the interest of hon. Members, I have [Mr. Speaker]

said that you cannot use the Floor of this House to call for violence.

Mr. Leting: Mr. Speaker, Sir, I appreciate the sentiments expressed by the House about the fear of bloodshed. I assure the House that we will do all that is within our powers as a Ministry, to prevent any bloodshed. The plot in question was originally planned for social amenities for the local community. So, that is why when the first applicant applied to construct a cinema hall, he was considered and given a letter of allotment. This was because the purpose for which he was going to use the plot was in conformity with the reason for planning that particular area. The other allotment went to the church because it is also a social amenity. It was in that spirit that the two plots were allocated. So, that is why the two allottees were given the letters.

Mrs. Mugo: Mr. Speaker, Sir, the Assistant Minister is deliberately misleading this House. He knows very well that the women had constructed a nursery school. They were there since 1964. The other allottee came in the 1980s and used his knowledge to cheat the women out of their right. The women told me that there is going to be bloodshed if they do not get their plot. Those were not my words but the words of the women.

Mr. Speaker: I thought you had promised that you were not going to disobey the Chair?

Mrs. Mugo: Mr. Speaker, Sir, I am not disobeying the Chair. I was just clearing myself, that I did not come up with the words. The other plot was meant for a school and it is the only plot left in the whole of Dagoretti, even for public meetings. Indeed, that is the place where the President held his last rally and he said: "This being the only place left, as the Dagoretti people said, it will remain a public plot for public functions." If the President visited Dagoretti today, he would have no place to hold a rally. I am appealing to the Assistant Minister to take this matter seriously and revert the plots to their intended uses.

CAUSE OF FIRE AT VOI SECONDARY SCHOOL

Mr. Mwakiringo: Mr. Speaker, Sir, I beg to ask the Minister for Education and Human Resource Development the following Question by Private Notice.

- (a) What caused the fire at Voi Secondary School on 2nd April, 1998, which destroyed the physics laboratory, several classrooms and a store, and what was the cost of the damage?
 - (b) What steps does the Ministry intend to take to avoid occurrences of such incidents?
- (c) Could the Government consider assisting in the renovation and equipping of the physics laboratory to relieve the over-burdened parents who struggled over the years to equip it?

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Speaker, Sir, I beg to reply.

(a) The cause of the fire that took place at Voi Secondary School on 2nd April, 1998 has yet to be ascertained. The Government's intensive investigations through the Ministry of Public Works and Housing, the Kenya Power and Lighting Company and the police are still in progress.

We do not know the cost of the damage yet, but it is likely to be approximately Kshs1.3 million.

- (b) My Ministry has taken steps to avoid occurrence of such incidents. The steps are that all educational institutions should have effective and adequate fire-fighting equipment in their institutions. The Ministry of Public Works and Housing will ensure that these are regularly inspected and that they are always maintained. The Ministry of Public Works and Housing will intensify its supervisory role in the construction of institutional buildings. The contractors and electrical installers will be vetted more strictly.
- (c) The Ministry will continue to assist parents in equipping secondary schools in accordance with the Government's cost-sharing policy when funds will be available.

Through a loan being processed now under Phase Two with the African Development Bank Funding Project (ADF), the Government will acquire science equipment for 1,225 Kenyan secondary schools.

The Ministry also assists schools with laboratory equipment through its grant-in-aid programmes.

The case of Voi Secondary School has been noted and it will be assisted under this and other financial arrangements.

Mr. Mwakiringo: Mr. Speaker, Sir, the police and the Kenya Power and Lighting Company have completed investigations, and the preliminary figure is Kshs2.3 million. Is the Assistant Minister in order to give a wrong figure Kshs1.7 million?

Mr. Awori: Mr. Speaker, Sir, we must have two different figures. If the hon. Member has a figure of Kshs2.7 million, I do not understand why he has asked the Question.

Mr. Speaker: Mr. Anyona!

Mr. Anyona: Mr. Speaker, Sir, I think the Assistant Minister referred to science equipment being acquired through an African Development Bank (ADB) loan. I have information that the loan stalled due to corruption. So, could the Assistant Minister tell us the fate of the loan, because he has given us the basis on which they intend to assist the affected schools to be renovated? But as far as I know, because of corruption in the Ministry of Education and Human Resource Development, the loan was either cancelled or put in a "cold storage". So, could the Assistant Minister tell us the story?

Mr. Awori: Mr. Speaker, Sir, this House has witnessed the exhibitionism of that Member from last week and, he is continuing. I have answered the Question.

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

Mr. Speaker: Yes, what is it?

Mr. Anyona: Mr. Speaker, Sir, I do not know whether you have heard the words used by the Assistant Minister. There is no vendetta between me and him, but if you heard the words he used, "exhibitionism", I was out of order--

Mr. Speaker: What did he say?

Mr. Anyona: He said "you have witnessed the exhibitionism of this Member from last week." Last week, I asked a genuine question. This week, too, I am asking a genuine question. That is why I am paid, and that is why I came to this House. Is the Assistant Minister in order to refer to me using such words?

Mr. Speaker: By the way, if he did say that, he is totally out of order. Members never exhibit anything, except honour. So, would you now answer the Question honourably, hon. Awori?

(Laughter)

Mr. Awori: Mr. Speaker, Sir, it was not I who brought the question of last week. It was the hon. Anyona, and I had to answer him. As far as the question of corruption is concerned, that is his opinion and he is entitled to it.

Mr. Speaker: Mr. Wamae!

Mr. Wamae: Mr. Speaker, Sir, we have, of late, had many cases of schools which have caught fire. What policies does the Government have of, for instance, insuring these schools, or having a permanent solution to the problem, because fire will always be there in schools, and we do not want the burden of reconstructing these schools to be placed on parents? Could the Government come up with an insurance scheme under which these schools can be insured?

Mr. Awori: Mr. Speaker, Sir, the Government is cooperating with the Ministry of Public Works and Housing to ensure that schools are constructed properly so that they are not susceptible to fire. At the same time, the Government is encouraging all schools to put in place fire fighting equipment and also teach students some fire fighting drills.

Mr. Speaker: Very well. We will now proceed to the next Question!

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I have been trying to stand to ask a supplementary question, but you did not see me. But if the Minister---

Mr. Speaker: Order! That is not a point of order---

Prof. Anyang'-Nyong'o: I am coming to the point of order, Mr. Speaker, Sir. Is the Assistant Minister in order---

Mr. Speaker: Order, now! Order! That is not a point of order, and you must now sit down. Next Question! Dr. Mukhisa Kituyi!

ISSUANCE OF LEGAL NOTICE NO.44

Dr. Kituyi: Mr. Speaker, Sir, I beg to ask the Minister for Natural Resources the following Question by Private Notice.

- (a) On what grounds did the Minister issue Legal Notice No.44 on 3rd April 1998, de-gazetting over 53.68 hectares on L.R No.23256 of Ngong Forest?
- (b) In view of the environmental value of this forest to the public, could the Minister cancel the said notice with immediate effect?

The Minister for Natural Resources (Mr. F.P.L. Lotodo): Mr. Speaker, Sir, I beg to reply.

- (a) The Minister for Natural Resources issued Legal Notice No.44 on 3rd April 1998, following a Government decision that the said land would be used for social amenities. In this connection, the laid down Government de-gazettement procedures, as stipulated in the Forests Act, Chapter 385, were followed.
- (b) The Government recognises the environmental benefits of the Ngong Road Forest and put this into account while making this decision. Therefore, the question of cancelling the Legal Notice does not arise.

Mr. Speaker, Sir, I de-gazetted the following almost at the same time: 1,541.7 hectares from South Nandi Forest for settling wananchi; 40.47 hectares from Kakamega Forest for the Agricultural Society of Kenya (ASK), Kakamega Branch; 17.6 hectares from Kakamega Forest for the expansion of Mukumu Girls High School; 40.47 hectares from Upper Imenti Forest, in Meru, for the ASK Show Ground; 7.507 hectares from Ngong Road Forest for the expansion of Jamhuri International Show Ground; and 19.69 hectares from Kitale Forest for the ASK Show Ground, Kitale Branch.

Mr. Speaker: Dr. Kituyi!

Dr. Kituyi: Mr. Speaker, Sir, if you look at Cap 385 of the laws of Kenya, you will realise that the reasons as to why the Minister for Natural Resources was given the powers to alter the boundaries of forests was principally on the anticipation that he will be altering these boundaries to expand the areas defined as forests. The Minister is supposed to be the custodian of public forests. If he now stands before the House and tells us that 17 hectares of forest are being given to a school for expansion, which school is being given this size of land in this country today? But be that as it may, over the last one month alone, this Minister has given notices degazetting more than 2,000 hectares of forest land. Now, whereas he has given us a purported reason for the degazettement of part of the Kakamega Forest, ostensibly for the ASK Show Ground, when the current show ground there has already been grabbed by politically-correct individuals, he has not attempted to get that land back. Instead, he is giving public forest away. He has left out another part of the Kakamega Forest which he degazetted on 17th April, 1998, measuring 3.48 hectares.

Mr. Speaker: Now, is that a supplementary question or are we---

Dr. Kituyi: No, Mr. Speaker, Sir. It is because the Minister went on to other areas to, apparently, give some tangible reasons as to why he degazetted parts of Ngong Forest.

Mr. Speaker: Now, come back to this one.

Dr. Kituyi: Now, we come to this one, Mr. Speaker, Sir. Since the Minister has given us specific social amenities as his excuse for degazetting parts of the other forests, could he tell this House the specific social amenities which led to the degazetting of 53 hectares of Ngong Forest?

Mr. F.P.L. Lotodo: Mr. Speaker, Sir, the 53.68 hectares will be for a school.

(Several Members stood up in their places)

Mr. Speaker: Hon. Raila!

Mr. Raila: Mr. Speaker, Sir, Ngong Forest is a rain catchment area which is threatened from all directions; from Bomas of Kenya, Lang'ata Cemetery and it is being curved off. The other side of Ngong Road is also being curved off. So, Ngong Forest is in danger of being completely wiped out. The Minister for Natural Resources has given a reason of providing public amenities and he has gone on to mention many other forests which he has de-gazetted. Has his Ministry carried out an environmental impact assessment, particularly with regard to these 53.6 hectares of Ngong Forest on the ecology of the City of Nairobi? Could his Ministry consider erecting a permanent perimeter fence around Ngong Forest in order to protect it from future grabbing?

Mr. F.P.L Lotodo: Mr. Speaker, Sir, in my reply to part (b) of the Question, I did say that, that was taken into consideration. In part (ii) of the Member's question requiring that I should fence the forest, I do not have money for fencing forests.

Mr. Gatabaki: On a point of order, Mr Speaker, Sir. Is the Minister in order to mislead this House when he is very well aware that this Government has completely looted all the resources of this nation and it is left with the forests? It is only a quarter of the entire Kenya which is arable and only one eighth is forested. This Government, having looted the economy, wants to destroy every aspect of this country before they retire in disgrace.

Mr. Muite: Mr. Speaker, Sir, part of Ngong Forest is actually within Kikuyu Division, otherwise called Kabete Constituency. Is the Minister aware that the people of Kikuyu already have a list of the prospective allottees of this forest? We are not going to permit the construction of any building there! We are going to uproot the beacons and demolish any building that these people, who have grabbed the land, will attempt to put up.

Mr. F.P.L Lotodo: Mr. Speaker, Sir, the Minister is not aware of the list the hon. Member is talking about and if he dares to uproot the beacons, he will have it rough!

(Applause)

Mr. Kajwang: On a point of order, Mr. Speaker, Sir. Is the Minister in order to tell us that 53.68 hectares of land can be given to a school? If so, can he name the school. Secondly, is the Minister in order to threaten violence here the way he threatens in his place?

Mr. F.P.L Lotodo: Mr. Speaker, Sir, I was invited by hon. Kibugi---

An hon. Member: So what?

Mr. F.P.L Lotodo: Mr. Speaker, Sir, Cheweti High School has 300 acres of land. So, what is the problem with this one? It is normal!

Mr. Maitha: Mr. Speaker, Sir, arising out of this Question, if the Minister was genuine in allocating this forest, is he aware that His Excellency the President in 1992--- In 1992 squatters were allowed to go into Kalalacha Mpenda Kula Forest, in Kilifi District and the Minister refused and advised the President that, that was a forest. Those people have been demanding to be settled in that forest. Why did he not gazette Kalalacha Mpenda Kula together with this forest, and it is a genuine matter, when KANU received a lot of votes in Kilifi District?

Mr. Speaker: I think you have hijacked Dr. Kituyi's Question. You can have the last chance on your Question, Dr. Kituyi.

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

Mr. Speaker: Sorry! Time up. Dr. Kituyi, your last chance.

Dr. Kituyi: Mr. Speaker, Sir, hon. Francis Polisi Lotodo should be more forthright when answering questions before this House. He volunteered misinformation as the premise for his answer. He talked about expanding the showground in Kitale as a reason for alienating all the riverine forests belonging to the Kenya Museums Kitale which is very far away from the showground. There is no way you can expand the showground to take the tarmac road going into Kitale and Endebbes as part of---

Mr. Speaker: Can you talk about Ngong Forest?

Dr. Kituyi: But, Mr. Speaker, Sir, while he was interested in volunteering irrelevant information like that, he has refused to answer the specifics about Ngong Forest. The fact that Cheweti Secondary School has got 300 acres cannot justify that a fictitious school is going to be given 53.68 hectares in Ngong Forest and you claim that this is partly because of the Government's awareness of the environment. Could the Minister tell this House what environmental or social value Kenyans will benefit from the allocation of 53.68 hectares of Ngong Road Forest to Members of the Armed Forces?

Hon. Members: Which School is that?

Mr. F.P.L. Lotodo: The hon. Member comes from Kimilili, about 500 kilometres away, but people of Nairobi need a school and they have the Ministry of Natural Resources to give them 53.68 hectares. That is what I have done and there is no way you can stop the Minister from doing that.

(Several hon. Members stood up in their places)

Ms. Matano: Mr. Speaker, Sir, it was just during the weekend when we were told that over 100,000 projects are uncompleted. Could the Minister tell this House why he is reserving another plot for another project while we have more than 1,000 projects which are not completed?

Mr. F.P.L Lotodo: Mr. Speaker, Sir, I think that is a different question. It has nothing to do with this Question.

(Several hon. Members stood up in their places)

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

Mr. Speaker: Order! Order, hon. Members! I think I have been more generous than usual on this Question. My generosity is now running out because Question Time is now officially over.

Next Order!

MOTION

ADOPTION OF PAC REPORTS

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

(Mr. Wamalwa on 23.4.98)

(Resumption of Debate interrupted on 23.4.98)

Mr. Speaker: Mr. J. Nyagah was on the Floor. Hon. J. Nyagah, You have 24 minutes to contribute.

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, I stand to support the Motion. As I was explaining last time, it is necessary--- When I make my comments, it should be understood that I am making constructive comments. I am trying to indicate the best way of reducing the size of the PAC booklet in future---

An hon. Member: Is it possible?

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, therefore, my comments will be based on that.

First, as I indicated last time, it is necessary that in future hard working civil servants should answer all the questions that Members of Public Accounts Committee raise. As I further explained, in the private sector, if an Auditor asks me questions, I will attempt to answer them to the best of my ability in order to ensure that I do not have qualified accounts.

So, I would like to suggest that in future, civil servants should help the KANU Government not to be harassed by that side of the House, by giving detailed answers to questions.

Secondly, I would to comment on the subject of the Government having to pay loans on behalf of parastatals. Again, I think it is important to explain the realities on the ground to the Public Accounts Committee. Very often, in the national interest, it becomes necessary for purchases to be made, for which the particular parastatal might need assistance from the Government to finance. That is a case in point where, if properly done,

it should not become an audit query if we explain the situation carefully and thoroughly, so that the PAC members clearly understand why it was necessary. This has happened on many occasions. Luckily, as I see it, as privatisation of parastatals continues, it should become less and less necessary for the Treasury to have to bail out parastatals that require assistance as has been the case before. Many parastatals have been sold and hopefully, I am confident that this should be the case. But again, it is important for our good hard-working civil servants to explain these things clearly to the PAC, so that they reduce the size of that book and the harassment this side of the House gets very often, unnecessarily.

Mr. Speaker, Sir, the PAC has raised questions about unreconciled accounts. The sum of money in that account implies, or could give the impression that everything was stolen. It could give the wrong impression when it is not necessarily the case. I think, and from what I have understood from talking to the people in the Treasury, a big sum of that amount is lost, simply due to carelessness on the part of the people who are supposed to reconcile the accounts. Again, in a private sector situation, you would have an accountant and a strong team that reconcile accounts. What I would like to recommend and see is that, the section that is charged with reconciling accounts is strengthened. If it means adding more qualified accountants, so be it. If it means buying them computers and teaching them how to use them, so be it. I think the big part of the problem in the consolidated accounts has something to do with the fact that, it takes too long and it is too slow to get information and by the time year-end comes, that is 30th June, there are too many pending cases which make the Treasury look as if there is something they are hiding. So, I would urge, through the Chair, that our friends in the Treasury speed up the reconciliation of accounts by strengthening that particular department, so that we, on this side of the House, stop being harassed for things that are, in fact, right and not as bad as they would appear to be if they are properly explained.

Mr. Speaker, Sir, I want to move on to the subject of the incomplete Government which---

An hon. Member: That is what we discussed in Mombasa!

The Minister for Information and Broadcasting (M. Nyagah): I was not in Mombasa, so I do not know what the hon. Member is talking about. But it is important that the Government and the Treasury are making constructive comments. It is important that we have a good record so that we can set a priority list of what needs to be done. There are very many projects in this country. I am being extremely constructive. It is very important that we have a list of the projects that have stalled. By so doing, given the economic situation that we face today, we can then set a priority of finishing those projects according to the urgency of each, and the available funds can be put to the best possible use. A day will never come when we will be able to complete these projects in one year or very quickly, hence the recommendations that we are making that we have a priority list and that we should fund each project based on urgency and practicability.

Prof. Anyang'-Nyong'o: On a Point of Information, Mr. Speaker, Sir!

The Minister for Information and Broadcasting (Mr. J. Nyagah): Mr. Speaker, Sir, I do not need that information. I did a lot of homework before I came to the House. Not especially from my very good friend. I am very knowledgeable.

Mr. Speaker, Sir, before I am confused by my good friend who is a former chief accountant, I think we should understand the situation that we all face. Over many years, we have accumulated un-paid bills. I think the PAC members should be realistic and together with the Treasury, accept that as a fact. Having accepted that we have accumulated many un-paid bills, we then set a priority and start paying those bills. Once we accept that we have such bills and that we are finding a solution to them, in my view, it should be possible for us to move forward. I am not saying that all is well. We have had problems which have made PAC to produce such a detailed document. But there are steps that have been taken, in my view, that will help and are helping the situation. For example, the creation of Kenya Revenue Authority a couple of years ago, was meant to overcome some of the problems that had arisen in this country in the management of Government funds. I think we will all accept that there has been a major improvement, not only on the revenue collection side, for which I think in all fairness we should thank the Ministry for setting it up and making the effort, but also in tightening the loopholes that existed in the Customs and Excise, Income Tax and VAT departments. Again, I am not saying all is perfect, but a move in the direction of looking after the funds properly is on the way. I am also told that the members of Kenya Revenue Authority enjoy reasonably good salaries compared to other Kenyans, and the idea was to ensure that their temptation to get involved in corruption is reduced. I would like to suggest that, in the future, steps be taken to remunerate employees of Kenya Revenue Authority (KRA) very well, so that they are not be tempted to involve themselves in corruption. This move would help the Government to collect maximum revenue and utilise

Mr. Speaker, Sir, recently, we saw the implementation of a new scheme for the KRA employees. A few weeks ago, the Minister for Finance introduced a special police unit, similar to the Fraud Section, under the Central Bank of Kenya, which will look at collection of customs, VAT and Income Tax revenue in a bid to

strengthen the system. I think, all Members in this House should support all the steps being taken by the Kenya Revenue Authority, so that we can have many such moves in that right direction. The result of these steps is that the KRA will be collecting income Tax, Customs Duty and VAT on a timely basis. At this point, what we should do is to encourage the Minister and KRA to move in that direction. As I said at the beginning, all cannot be perfect within the Government and so, we should sometimes encourage the measures being taken to help strengthen the KRA and other institutions upon their establishment.

Mr. Speaker, Sir, many people, including me, are concerned about delay of PAC report covering 1993 and 1994 which have been tabled in this House. These reports were supposed to be deliberated on several years ago. I urge PAC and the Ministry concerned to speed up the presentation of these reports in the House and their discussions, in order for us to be up-to-date. To be discussing what happened 1993/1994 Financial year may be an interesting academic exercise for one to be involved in, but there should be a time limit. We wish to discuss, in a few months time, 1996/1997 PAC reports and not 1993/1994 accounts of the Government. Mr. Speaker, Sir, after going through these reports, I find some few questionable items. I am not sure whether they are personal vendettas or it is usual for PAC to discuss certain issues. In some of the pages, there are specific recommendations to exclude certain individuals and companies from rendering services for the Government and I am at a loss to know whether it is the responsibility of this House or somebody else. I am not defending any particular company here, but I would like to know the limits of PAC. Is PAC supposed to make general comments on issues, or go to specifics in their report on the accounts of the Government?

Mr. Obwocha: On a point of order, Mr. Speaker, Sir?

Mr. Speaker: Mr. J. Nyagah, as far as you are concerned, you are addressing me and so, the Members do not exist. Proceed.

Mr. N. Nyagah: Mr. Speaker, Sir, time has come for us in this House to know who is who. I am Mr. Norman M. G. K. Nyagah and I share my name with that honourable Member who has been on the Floor. When he supports the Government and makes mistakes, the world may think that I am the one who is making the mistake. Can he be referred as Mr. Joe while I become Mr. Nyagah?

(Laughter)

Mr. Speaker: Order, Mr. Nyagah! You are putting me in a difficult position to allocate the names to Mr. Nyagah's siblings. Actually, that is not my duty. I will continue to call you Mr. Nyagah on the left side and Mr. Nyagah on the right side. So, there is no confusion at all. I have one at the right side, Mr. Joseph Nyagah and on the left side, Mr. Norman Nyagah. Therefore, thou shall be referred to by those names.

(Laughter)

The Minister for Information and Broadcasting (Mr. Nyagah): Mr. Speaker, Sir, I think given time, I will learn the rules of the House. Let us refer the gentleman on the opposite side as Junior Nyagah.

Mr. Speaker Sir, the problem we have with the donor groups, when negotiating loans from them, is that we commit the Government when there are no sufficient funds. The effect of that is the Government ends up with a long list of donor funded projects which give a chance to the World Bank and other donor groups to keep harassing us for not utilising the given funds. The project's money now amounts to 600 million dollars and it continues going up.

Mr. Speaker, Sir, I would like to recommend strongly, that in the future, the good hard-working civil servants ensure that we do not make commitments that we will not fulfil. This puts us, who are on the KANU side, in a very difficult position. I have made those contributions based on what is needed to be done to strengthen the systems we have developed. Our accounts are not perfect as it needs alot to be done. We should recognize positive steps being taken by the Government. Every move taken by the Government should not be deemed as negative, as viewed by our friends from the opposite side, because there are times when positive moves are taken by us.

Thank you, Mr. Speaker Sir.

Mr. Maore: Mr. Speaker, Sir, first of all, I would like to start by protesting against the procedures that governed the business of the House, that the Reports of the two consecutive years had to be combined and apparently in order to avoid giving the Government adverse publicity for a long time.

Mr. Speaker, Sir, the 1993/94 Report of the Controller and Auditor-General was very detailed and in some sections updated, and the Committee, indeed rose to the occasion in dealing with the issues that were

therein. First and foremost, there were confrontations over procedures that were meant to tame the Committee and in essence make Parliament subservient to other forces outside Parliament. This has to do with some specific paragraphs that were added by the Committee and the way the Government reacted to certain issues that were raised.

Mr. Speaker, Sir, one of the major issues that we dealt with was the illegal, irregular and immoral allocation of the Kenyatta International Conference Centre (KICC) to KANU. In the middle of the deliberations, there were attempts to scuttle over the issue by insisting that there was a case pending in the court. We do agree that at a certain time the Kenya National Congress did take the top officers of KANU to court over the allocation of KICC. By the time we were debating the Report, we did meet the lawyer who was handling the case and he informed us that he had withdrawn the case, but somebody manoeuvred the process and the Registrar of the High Court wrote a letter to the Committee insisting that the matter was before the court. To date, there is no date set for the hearing of the case and that emphasizes the point that there are forces intent on paralysing Parliament with no intention of resolving the KICC saga. The plot on which KICC stands is not like any other plot because it a multi-billion shilling project paid for by the taxpayers of this country in the Budgets of 1967 to 1992. If the Government can wake up one morning and allocate such an asset to a private party, then the country has been invaded by pirates who have no regard for institutions or rules that govern any of the moral etiquette.

Mr. Speaker, Sir, in the deliberations of the same Report of 1993/94, we did recommend about the awarding of contracts in the Department of Defence (DOD). In those recommendations, we encountered a lot of obstacles because the Office of the President did not want to allow the Members of the PAC to visit the projects on which public money had been committed. This money did not belong to an individual, but it was public money that was spent by the DOD in constructing the Mariakani Barracks. It is understood that this Government can trust some foreign contractors and also a private construction company than the Members of PAC. The said projects of the Mariakani Barracks and Nanyuki Air-Base were meant to be a decoy thereby milking public funds. We do not know whether this is how senior Government officers loot public funds. The Committee did not have enough evidence on what happened to those contracts or what is on the ground.

Another issue that we went through involved the allocation of 505 plots by the Government at a very short span of time. In a span of four years, the Government had allocated 505 plots on which Government houses stood. It had taken the colonial Government enormous amount of money to put up houses for top senior civil servants, Ministers and Assistant Ministers, but all of a sudden it was found prudent by the Commissioner of Lands to do what he referred as "direct grants" and purporting to be directed by the President. If we adopt the Reports of the Committee, there are going to be a lot of problems in implementing them because a lot of these senior civil servants, whom we are instructing to implementing these recommendations, are beneficiaries of this particular action. There should be no direct allocation of such houses unless they are sold at the market value. It beats all logic for a Government that is short of revenue to allocate a house in Upper Hill at Kshs55,000.00 which is later sold by a senior civil servant at Kshs30 million. If the Government has to dispose of these assets, they should be sold at the market value.

Mr. Speaker, Sir, we also raised the issue of incomplete projects, especially those that are under the Office of the President. There are over 14 projects involving the Office of the President, particularly under the Police Force. The Committee went through a long catalogue of various projects under the Office of the President which the Government has refused to complete as reflected in paragraphs 124 to 139 of the Report. If we go through the entire catalogue, we will find that, for example, the Government Press project, which was one way through which Messrs. Somaia and Oyugi looted public funds, had an allocation of Kshs430 million. Other incomplete projects are:- Highridge Police Camp, the Industrial Area Police Lines, State House Flats meant for the GSU who guard State House; Kasarani Divisional Police Headquarters, Kiganjo Police Training College Phase III, Mashuru Divisional Buildings, the District Commissioner's House at Wajir, Kamagambo Police Station and so forth.

Mr. Speaker, Sir, I am just mentioning those ones because at this time these irregularities are hurting up with the country. We are talking at a time when the crime rates are rising, our police have no equipment and when some accounting officers have decided to do away with the Land Rover and pick on a Mahindra. Everybody knows that a Mahindra cannot carry a dead body because the average height of a human being is six feet. A Mahindra is about three-and-a-half feet long. So, if you have to carry a dead body in a Mahindra, its head will be inside the vehicle while the rest of the body will dangle outside. We would not have bought the Mahindras if we have decent men and women making Government decisions.

Mr. Speaker, Sir, as regards the question of morale in the police force, they know that the men and women at Harambee House have been making strange procurements and quite a long list was compiled in early 1990 when the Government was importing heavy security equipment which was never delivered. The Government

would go and request the National Bank of Kenya to pay money and, in fact, a lot of it through Ketan Somaia and the money and the equipment were never delivered, but the money disappeared. We are faced with a situation whereby our police do not have proper uniforms, their houses are in a pathetic state when our top officers keep on increasing their number of plots, houses and chains of business. In short they lead a lifestyle that is not commensurate with their salaries and this is going to cause a social problem. If all the corruption has to be done, let it not be done near the armed men. If you allow them to be demoralised, then you are courting trouble. We would be safer to avoid situations where you have hungry soldiers, who are likely to feed by using their guns as it is happening on the streets of Nairobi where the police are colluding with criminals in order to extort money from businessmen and only have the senior officers reacting after we have read it in the Press.

Mr. Speaker, Sir, another issue that we would like to talk about is the confusion that the Committee found itself in with regard to the Treasury and the Office of the President. These Ministries colluded and ignored all the provisions of the Constitution regarding public expenditure. Sections 99 and 100 of the Constitution are very explicit that you should not spend even one pound from the Consolidated Fund without the authority of Parliament. During that period we had a lot of problems with the former Governor of Central Bank and the then Minister for Finance, the former Vice-President especially in connection with the Goldenburg issue. Afterwards several statements came from the Government that they would not raid the Consolidated Fund the way it was done under the former Governor of Central Bank, Mr. Eric Kotut and the former Vice-President, Professor George Saitoti. Immediately after those two Government personalities left the service a new Minister for Finance, hon. Musalia Mudavadi and a new Governor of Central Bank, Mr. Micah Cheserem, were appointed in 1993. They then advised the Government to procure a Presidential Jet and committed billions of shillings without the authority of Parliament on two projects.

Mr. Speaker, Sir, even if the Committee is going to make recommendations and seek regularisations on the two items, it is going to be very difficult to have the House through the resolutions of the ten members of the Committee resolve a constitutional issue. We are going to seek your guidance and that of the House on how the two issues are going to be resolved. It was unconstitutional to go to the Consolidated Fund, scoop out money out of there and go and buy the jet. Similarly, it was unconstitutional to go to the Consolidated Fund and scoop out money and construct the Eldoret Airport.

Mr. Speaker, Sir, maybe we have reached an era of maturity in the corrosion of our moral conscience. If corrosion gets into our mental item, it creates layers and unless you scratch several layers, you will never get to the real metal. The conscience of many of the people in this Government seem to be succumbing to corrosion of corruption and insensitivity at a time when we are talking about how the donors should release money. The 1993/94 Financial Year was a difficult one when the Government decided to go and mop out the excess liquidity in the market. It happened and a lot of our taxes have gone into moping up the resources that we injected into the economy during the 1992/93 financial year.

Mr. Speaker, Sir, I do agree with the previous contributor that we would like the Committee's Report to contain a fewer pages than it is now. It is not possible because when men and women in Government positions are asked by the Controller and Auditor-General about specific queries, they do not avail the documents on time. Some of such documents relate to the construction of the Eldoret Airport. As I am talking, the title deed of the Eldoret Airport land is still with the vendor. After the airport has been constructed and after public money has been committed into the payments because there is a debate on how much should be paid, we are then dealing with interesting individuals whereby the vendor of the land will allow you to go and do the airport on the ground before the transactions are completed. You can imagine a situation whereby the vendor of the land might decline the offer and say that he wants more money now because his land has more value now that there is an international airport on it.

Mr. Speaker, Sir, as I am speaking now, there are no details on the invoices or the documents to support the procurement of the Presidential Jet. This is because the son of a top politician was very busy using a fax machine trying to look for the jet and also fax to the Department of Defence. That is how the jet was procured by the Department of Defence. There are no documents up to today to show how the Presidential jet was acquired. It is wrong for Parliament to be put through this kind of circus. We need to have a Parliament that is not subjected to political manipulation. I say this because one afternoon, on 14th February, 1993, we had summoned the Financial Secretary, the Governor of Central Bank of Kenya, the Kenya Commercial Bank Executive Chairman and the National Bank of Kenya Executive Chairman to appear before the Committee with regard to money that disappeared from Central Bank of Kenya and ended up in the Kenya Commercial Bank. When the Committee sought clarification in whose account that money was deposited we were told that the matter was before court.

Mr. Speaker: Yes, it is before court! Mr. Maore, I have already ruled on that. It will not help you any bit to revisit it, because we will not re-open it. It is *sub judice*. The case is going on at the moment. If the

court cannot find it, may be you will revisit the issue when they have finished with it.

Mr. Maore: Mr. Speaker, Sir, I was not about to debate the merits or the demerits of the case before the court. I am putting it that we are subjecting this House to political manipulation in the sense that there is a definition of a decoy. What we have before the court is a decoy. Parliament is being treated to the same circus. From 1990 to 1992 we had the Goldenburg case before the court and the matter was closed on 20th March 1993. The theft of money from the Central Bank of Kenya took place between April and July 1992. This Goldenburg case is not in court.

We are trying to put it that we may want to do some political games with some issues because the characters involved are invisible and are likely to remain invisible. For this reason, we need Parliament to reassert itself and refuse to be subjected to annual political manipulation by other Departments of the Government. I do not want to mention anything about the case before court. Just like the donors are fed up with it and the circus involved in it, one of these days Parliament will be in the same position.

We would like to have a situation whereby a public official cannot commit public assets to personal gains. The time when Office of the President, whose docket includes the Department of Civil Aviation and Kenya Airports Authority (KAA) committed itself to a Dubai merchant and allowed him to have the Kenya Duty Free Complex. Paragraphs 53 to 64 detail the problems the Kenyan Government faced just because a merchant came to Kenya from Dubai, paid a lot of money to the then Permanent Secretary, Office of the President, and acquired the Kenya Duty Free Complex space. On Page 34 of the Audit Report the audit query itself talks about what the foreign company was to do. First, it was to ensure that all products at the Duty Free Complex were competitive in prices. It was also to pay a fixed rent of up to US\$1,000 per annum for both complexes.

Mr. Speaker, Sir, the evidence adduced before the Committee did indicate that for several years the said tenants never paid rent or revenue to the Government. It seems that the officers at the Office of the President were not hostile to the idea.

Another issue that did arise was that the contract itself was flawed. It had to be revisited six years later when they had only four years left for the contract or agreement to expire. All that we are stating here is that we do not want to see a Government that does not want to work for posterity. The individual occupants of various public offices keep on seeking personal gain.

We need to revisit the issue of public servants involving themselves in private business. When we talk of massive corruption in the Government we are talking about Government officers who have formed private companies and want those companies to do business with the Government while they are in the office. One example of those companies is the Computer Applications Limited, in which some hon. Members in this House and some officers in the Treasury have an interest, or are shareholders. So, any recommendation against this kind of company, that has really ripped-off the Government, meets with a lot of hostilities when it comes to implementation stage. The same officers will some use hon. Members of Parliament to seek ways and means of removing those specific paragraphs or recommendations from the Report of the Committee. We would like to---

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Speaker, Sir. I heard hon. Maore clearly state that some officers in Treasury are shareholders of some of the companies, such Computer Applications Limited, that have ripped off the Government. This is a matter that needs a clarification. It cannot be left unchallenged. I would like Mr. Maore to substantiate it.

Mr. Maore: Mr. Speaker, Sir, this is exactly what I have said. They are going to use some hon. Members of Parliament to defend this kind of wrong-doing. Could the Assistant Minister declare his interest first?

Mr. Speaker: Order! According to the provisions of Standing Order 76, you are personally responsible for the accuracy of anything you say. You made a statement and now you have been called upon to substantiate it. Could you substantiate it?

Mr. Maore: Mr. Speaker, Sir, I want the Assistant Minister to declare his interest in that Company before I can substantiate?

Mr. Speaker: Order! Order! Mr. Maore, you have just stated that certain officers in Treasury are shareholders in Computer Applications Limited. They are shareholders among other people, including some hon. Members of this House. What you have been asked under the Standing Order 76 is to substantiate the fact that specifically officers in Treasury are shareholders in M/s Computer Applications Limited. So, do not ask the Assistant Minister to help you to substantiate it because you made the statement alone.

Mr. Maore: Mr. Speaker, Sir, first of all, I wanted to start with the connotation, but the officer that I was specifically talking about is responsible for the Government Computer Services tender No. CGL/2/97/98, even after the recommendations had been made. This is none other than Mr. Oyula, the Accountant General at the

Treasury.

Mr. Speaker: But you see, Mr. Maore, you said that some officers are shareholders, not responsible for a contract. So are you stating that he is a shareholder?

Mr. Maore: Mr. Speaker, Sir, I am stating categorically, that he is a shareholder.

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, since hon. Maore has mentioned Mr. Oyula. I would like him to show proof that Mr. Oyula is, indeed, a shareholder. The mention of a name is not enough substantiation. He must really show that Mr. Oyula is a shareholder of Computer Applications Limited, by producing documentary evidence.

Mr. Maore: Mr. Speaker, Sir, the Assistant Minister can go and collect the list of the seven companies that are owned by the director of Computer Applications Limited; Mr. Oyula appears in one of them. He can get the register from the registrar of companies and substantiate it himself.

The Minister for East African and Regional Co-operation (Mr. Biwott): On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to mislead this House by citing an individual and not producing the documentary evidence? The onus is on him and him alone to come and Table the document. It is not for the people that he is accusing to come and Table that document. Could you hold him responsible to produce it, here and now?

Mr. Speaker: Order! May I say this, hon. Members: The general rule concerning a person making accusations is that he has a duty to prove them. It cannot be the other way round, that the person being accused has to prove himself innocent. That would be ridiculous. I have asked hon. Members in this House and I will continue to do so, to use their freedom in this House in a responsible manner. You may make a statement that you cannot substantiate and hurt somebody, who will never be able to prove his innocence here. It may be sensational, but it can also be very damaging. So, Mr. Maore do you really have proof that Mr. Oyula is a shareholder of Computer Applications Limited? I figure out that, maybe, if they really contested strongly, they may bring evidence contrary to the general rule to show that you are wrong. The House may be very upset about you.

Mr. Maore: Mr. Speaker, Sir, if you are aware of the practice at the office of the Registrar of Companies, perhaps you could give me at least two days. If I do not get the list of the six companies that I am talking about, then whichever company I do not get is the one in question. However, I have evidence, although I do not remember which company it is.

Mr. Speaker: That is beside the point Mr. Maore. Hon. Members, the Chair has recently discovered a unique habit from a select number of Members. I am sorry, but it is not all of you. There are some Members who, when it is one minute to the end of their speech, make such monumental allegations in the hope that when their time is up, they will be protected from substantiating what they claim to know. I am definitely sure that Mr. Maore must have known that he was coming to allege that officers in Treasury own Computer Applications Limited. I am sure that he anticipated that he would be asked to substantiate. He should have come with the evidence. Probably, that allegation will be the headlines in tomorrow's newspapers. If you withdraw that allegation three or four days later for lack of evidence, it may not even see the light of day in the Press. Meanwhile the damage has been done to some Kenyans. Are you prepared to substantiate, here and now?

Mr. Maore: Mr. Speaker, Sir, can I be given until Thursday afternoon to substantiate? I will bring the documentary evidence.

Mr. Mutahi: On a point of information, Mr. Speaker, Sir. I need your guidance here. You and two other Members on the opposite side have said that Mr. Maore should have anticipated that somebody would rise on a point of order, asking him to substantiate.

Mr. Speaker: What are you talking about?

Mr. Mutahi: Mr. Speaker Sir, Mr. Maore could not have armed himself with a substantiation document because he did not know that such a matter would arise.

Mr. Speaker: Order! Order! First of all, Mr. Mutahi, you must learn never to drag the Chair into the arguments on the Floor. It is my duty to respond to points of order. I cannot shy away from that responsibility, neither will I be intimidated in any manner by any Member suggesting that I am acting otherwise than in an honourable fashion.

(Mr. Mutahi interjected)

Mr. Speaker: Order! Mr. Mutahi, you have a terrible habit of always interjecting when the Chair is making a ruling. I think you had better come out of it. Standing Order No.76 states as follows:

"A Member shall be responsible for the accuracy of any fact, which he alleges to be true and may be required to substantiate any such fact or to withdraw his allegation with suitable apology, if Mr. Speaker so requires."

That is the duty that I am now discharging. It is the duty of Mr. Maore, when he opens his mouth to accuse a Kenyan either here or outside there of some impropriety, to be always aware that he may be called upon to substantiate, as soon as possible, preferably today.

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

Mr. Speaker: Order! Mr. Mutahi, I am not going to have a shouting match with you. I am dealing with Mr. Maore. My guidance is so clear, unless you do not want to understand. Mr. Maore, in simple terms, are you in possession of facts to substantiate your allegations?

Mr. Maore: Mr. Speaker, Sir, according to my experience in this House, there are several occasions when Members have been given time to substantiate. I seek your indulgence to bring it forward up to tomorrow afternoon, and I will substantiate.

Mr. Speaker: Indeed, there have been occasions under particular circumstances when the Chair has given a Member a chance to bring substantiation on a day other than that particular day. However, it is also equally on record here, particularly in the last Parliament, that Members who sought time to go and bring information to substantiate their allegations invariably refused to do so. Consequently, the persons injured by their allegations have failed to get redress. I will allow you up to tomorrow. But, I will now tell this House, that any Member who has to make an allegation should be prepared under Standing Order No. 76 to substantiate there and then. It is not good enough for me to allow Members to ruin names of people, who may never have a redress. If you are called upon by another Member to substantiate your allegations, you have to do so. So, Mr. Maore, you have up to tomorrow afternoon.

Mr. Mutahi: On a point of order, Mr. Speaker, Sir. You are doing a good job by guiding us, and I need your guidance. I would like to know whether substantiation only needs a document.

Mr. Speaker: No, no!

Mr. Mutahi: Mr. Speaker, Sir, please, let me finish! The other issue is: a Member may come here and mention a name not knowing that they will be required to substantiate. Which means that they had not carried the document for substantiation. What does one do in such a situation?

Mr. Speaker: Mr. Mutahi, this is what you do: First of all, I will begin by guiding you on the first issue you raised. It does not follow that substantiation means production of a document. But, I find it extremely difficult for you to prove that I am a member, for example, of Moon Unlimited unless you can show a members' register or some certificate that shows that I am a member of Moon Unlimited. So, when you allege that I am a shareholder, there is no better way of substantiation than showing my share-holding certificate of Moon Unlimited. So, that way, you ought to produce a document. But there are other instances where you do not have to.

As per the second issue, that you may not know whether you will be called upon to substantiate, it is not your choice. It is your duty. The Standing Orders clearly impose a duty on you on accuracy and that you may be challenged to substantiate. So, you do not have to opt. Once you open your mouth, be ready to substantiate. If you are not ready, please, can you leave it alone!

Mr. Mutahi: But you would not know!

Mr. Speaker: Order! Mr. Mutahi, you must now leave! You are very disorderly!

(Hon. Mutahi withdrew from the Chamber)

Mr. Speaker: I think, we can now come to the debate proper. Is there anybody who wants to debate on this Motion?

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

Mr. Speaker: I have given Mr. Maore until tomorrow to substantiate. You will have nothing to do with this issue any more.

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Speaker, Sir. I accept your ruling totally. But, a Kenyan's image will be injured tomorrow morning in the newspapers. I just hope and trust that when he brings his information, that damage will also be equally made good.

Mr. Speaker: Well, we do not know! Prof. Anyang'-Nyong'o!

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I stand to contribute to this Motion of the Public Accounts Committee Report that was tabled in this House.

One of the things that comes to mind very early in this Report and which is an extremely important issue

facing this nation which I would like to talk about first, is the issue of debts. But before I come to the issue of public or even domestic debts, I would like to note that the issue of debts has been aggravated by the manner in which the Ministry of Finance and the Treasury have managed financial affairs in this country, much more before the last Central Bank Act was passed by this House.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, in many ways, it is precisely because of that poor management of financial affairs that we have such a sorry state of accounts presented to us in this Committee Report.

Mr. Deputy Speaker, Sir, first, I think there are just too many banks in this country, most of which really do not do good business and quite a number of which have been described as political banks. Although some political banks have been closed down due to poor performance and management, some still exist to mess up the financial health of this nation. For example, in my home town Kisumu, there are at least 27 banks. I do not think that those banks exist in the interests of the people. I think quite a number of them exist to launder money out of wherever they are.

In July, 1996, I did a spot check and found out that there were Kshs3 billion exported out of Kisumu by these banks, and only Kshs68 million brought in. This, I think, is a terrible state of unequal exchange.

Mr. Deputy Speaker, Sir, secondly, if you look at the PAC Report, you will realise that one of the reasons why we are heading for a disaster, is that, many of these banks have very bad portfolios of bad debts. If you know why the Pacific ream recently had a financial crush, it is precisely because there were too many banks with very bad portfolios of bad debts. So, whereas they were going out and buying Treasury Bills so that they could earn high interests to keep afloat, this in itself was not even enough for them to redeem their bad debts. When these debts were recalled, they were contributive to the crush of banks in the Pacific ream. Unless something is done in disciplining banks and ensuring that they do not lend to people who cannot pay, and quite a number of these people cannot pay not because they cannot, but because they decide not to pay as a result of their political connections.

Mr. Deputy Speaker, Sir, thirdly, one of the reasons why the Government is in such a sad state of financial health, is because of poor tendering and procurement procedures. I happen to have done a quick look at Kenyan laws, and I found that apart from financial regulations and procedures that the Government uses, there is really no law in our Republic regulating tendering and procurement, especially when this tendering and procurement touches external suppliers of commodities and materials to the Government. In fact, I would like to recommend to the Kenyan Government that it would be in a good position to put before the United Nations Organisations (UNO), or other international organisations, a proposal to have an international law on procurement and tendering. There should be a law that will make it transparent for everybody doing business with Governments across the world. If there was, indeed, an international law that regulates tendering and procurement at the international level---- I do not mean that you need a law stating who is going to sell bicycles to Sonny from Kisii District because that is a local affair. But when a transaction involves supplying computers to the Kenyan Government worth millions of Dollars, that should be subjected to an international law that regulates tendering and procurement procedures.

In that regard, we would not have had a problem with M/S Computer Application Limited, nor would we have had the kind of problem we had with the Nzoia Sugar Company, where the Government was defrauded by an American Company to the tune of \$70 million. The equipment that was supplied by this company to Nzoia Sugar Company was not appropriate. When the Kenyan Government took this company to the international court of settlement, it did put its case so poorly that it had to settle this matter out of court by paying this American Company \$5 million. This is a very sad state of affairs.

(Hon. Muihia moved from the Opposition side to the Government side without bowing at the Bar)

Mr. Deputy Speaker: Order! Order, hon. Muihia! Can you go back to your seat and bow to the Chair properly?

(Hon. Muihia proceeded to the Bar

and bowed to the Chair)

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, while on tendering and procurement regulations, I should say that even where they exist, they are known more by the manner in which they are ignored than applied. This relates to the ability of the Government to use the revenue it collects effectively. If you collect revenue and spend it wantonly, you disappoint the people who give you the revenue. Why do I say this? If domestic producers of commodities for export - this is one of the major ways in which the Government can earn foreign currency discover that those importing commodities from abroad make wanton profits without sweating for them, a great number of them will run away from production and go to trade. So, we will become a typical economy of trade. However, if three quarters of people involved in economic activities are trading, obviously that trade is going to tend more and more towards importing things from outside, because there is nobody who produces something internally to trade in. It is no wonder that, precisely, because we have this trading mentality we do not pay attention to the kind of international regulations that could make us have a strong bargaining power in trade internationally. I am referring to the World Trade Organisation (WTO) and our own participation in international protocols. On page 24 of this Report, there is a very sad observation. Over the years since 1994, there is a very sad observation regarding our own ability to negotiate. When the WTO was negotiating, and the negotiations were going on in Geneva, Paris and other places, particularly on things like agriculture, textiles and so on, we did not do very well. When the Americans slammed a ban on us not to export textiles to the USA, we could have won that case. But we lost it and paid the Americans handsomely. But if we had been very able and put our case very well in the WTO negotiations - as far as I am concerned, the WTO aims more in helping and promoting developing economies like ours - we could have taken advantage of some of those provisions and we could have won. We ended losing to the Americans a very good plunk in the textile trade, simply because we are poor negotiators.

Currently, those of us in the lake region know that recently, the European Union (EU) put a slam on our fish exports to Europe. That was a market of about 380 million people, and a market that we could not afford to lose. But when the EU said that our fish was not up to standard, we just put our tails between our legs and said, "yes, it is true". We could have taken them to Geneva and said, "if these people are saying that we are not producing fish according to the required standards, they are developing nations and they can give us the technological know-how to meet the standards". The WTO at Geneva could have defended us. But we did not do that. At the moment, we are not exporting fish to Europe because a mzungu said, "this is sub-standard". This degree of inferiority complex on the part of our Government, in not being able to put our case across, so that we can earn from abroad what we need in terms of hard currency to pay for our imports, is very sad.

But there is an explanation to it. It is because in the past, those who sit on the other side of the House - I do hope that the phenomenon has changed to some extent, but it may not have changed substantially - have been trade-oriented to the extent that the orientation is not on the national interest, but in the individual interests. This has hurt our ability to earn the foreign exchange that we need to have a better revenue collection. We should not be in such a poor state of indebtedness like we are now.

Mr. Deputy Speaker, Sir, that brings me to the subject that I wanted to discuss first. It is the issue of domestic debts. The problem of domestic debts has become a major issue in our economy since 1992, for reasons that most Kenyans did not understand well. It was in that year that the Government decided to print money, and excessively borrow locally to finance the election campaigns. The subsequent effort by the Treasury to mop up the money did not really do the trick. The money was mopped, it was taken in there, but it was seen as something which could also be quickly spent. That soon led to the Government to look for more domestic borrowing, because the money was not coming from abroad, as was previously envisaged. Currently, we are in a state where we have about US\$1 billion worth of domestic debts, compared to a Gross Domestic Product (GDP) of US\$7 billion. To have one out of seven of your GDP in domestic debt is a heavy burden, both to the Government and the people of Kenya. Now, banks, individuals and corporations found it good to invest in treasury bills. So, whenever treasury bills are announced, people rush to buy them because the interest rates are good. They buy them because the Government sells them to raise money domestically, because it is broke.

Mr. Deputy Speaker, Sir, we as Kenyans should make a collective decision not to buy treasury bills because they are paper money. The people who are benefitting from buying treasury bills and making money are not the ordinary Kenyans, but multi-national corporations, foreign banks and the very rich. If you remember, when these things are announced, they are bought in bunches of Kshs500,000, Kshs1 million and so on. If it comes down to Kshs100,000, very few Kenyans can produce that kind of money to buy them. So, it is a game of the big ones. In so far as we continue to try and raise money by selling treasury bills, we shall continue to enrich the very rich and enslave the Government and the people of Kenya. The banks have made windfall profits from

the treasury bills business. A time has come that we should put a stop to this business. Some of us are proposing that we should externalise the domestic debts. But externalising the domestic debts will mean serious policy adjustments on the part of the Government. Policy adjustments that would mean that the revenue side of the Government is improved. That touches on many people. It touches on those individuals who have acquired public assets unfairly. If there is one area in the revenue side of the public finance which is to improve, is the side where public assets worth billions of Kenya shillings lie in the hands of a few individuals illegally.

Therefore, I propose that the Attorney-General should introduce in this House, a Property Rationalisation Bill. We need to rationalise the ownership of property in this House. In that Bill, we shall put right those people who have acquired public assets unfairly. There is evidence to that effect. The first piece of evidence is in the Public Accounts Committee (PAC) and Public Investments Committee (PIC) Reports which are laid before the House annually. For example, the National Social Security Fund (NSSF), whose funds as I speak now, are being misused by the Government and certain individuals, is one of the best sources of public savings in this country. Hence, it is one of the best sources of domestic capital formation in this country. But the NSSF has been drawn into this trade mentality, whereby an individual, through the Commissioner of Lands and the President, is allocated two acres of land at Upper Hill, pays Kshs200,000, walks with the letter of allotment across to the NSSF and tells the Managing Trustee - that is a misnoma because if he is the Managing Trustee, he should not deal with this - that, "I have an acre of land that I want the NSSF to buy". Within the Investments Portfolio of the NSSF, there was never any thought that this land should be bought on the 3rd of January, 1998. But nonetheless, since this person has arrived, the land is then bought at Kshs40 million by the NSSF. This fellow makes a cool Kshs39.8 million without sweating for it. Then Parliament says, "let this land be evaluated to see the market value". Then we find the market value to be Kshs18 million or Kshs20 million. So, the land is even bought well above the market value by the NSSF.

Mr. Speaker, Sir, there is an individual who is going to use that piece of land for speculation. That land may not be used for the next five or six years and so, it is an idle asset. Since the evidence is there, at least in certain instances, we need a Property Rationalisation Bill in this House, so that the public can acquire the assets that individuals have locked up illegally and unfairly. Then these assets can be released to the Exchequer by being sold on auction or other means, so that the Exchequer can improve its revenue collection ability.

Another area in which the Exchequer has lost money is by paying debts without parliamentary approval, or bailing out certain corporations unfairly. I refer to the case of the Kenya Airways which is quoted here. Those of us who were in the Seventh Parliament do remember that Kenya Airways had a debt of Kshs4.5 or Kshs4.9 billion which is reflected here as K£49 million. The Government decided to turn this into equity, so that the Corporation could have a healthy balance sheet in its preparations for privatisation. This was done without parliamentary approval. We know that the Kenya Airways debt was due to unserviced loans that were acquired to purchase aircrafts. It was not the mistake of the Government that these loans were not serviced. It was the mistake of the Kenya Airways Corporation which should have been running as a profit making organisation, but it did not. There is no God given law that says that public corporations must be run inefficiently. Public corporations are set up so that they can compete in the market and make profits and when they do not make profits, those in charge should be held responsible. The External Loans and Credit Act, Cap 422 of the Laws of Kenya, says quite clearly that funds borrowed under this Act, shall be extended only upon purposes for which provision is made in the Estimates of expenditure approved by Parliament. I am wondering whether there were any provisions made in the Estimates of expenditure and approved by Parliament before the Government went ahead and converted that loan into equity.

Mr. Speaker, Sir, I do not know how citizens can take their Government to court but here is a case where our own Government contravenes its own laws and deserves to be taken to court by the people of Kenya. Further, I would like to quote extensively from the External Loans and Credit Act, Clause (v) which requires that the National Assembly be informed of all transactions. I will now quote it:

"As soon as practicable, after a loan has been arranged or credit obtained under this Act, the Minister shall lay before the National Assembly, a report on the transactions specifying the parties, the circumstances giving rise to the transaction, the amount or value of the transaction, the currency in which the amount or value is expressed, the terms and conditions as to interest and repayment or payment and the aggregate of the capital sum borrowed under the credit and the credit obtained under this Act, up to the date of the report and any other information which he considers appropriate".

Mr. Deputy Speaker, Sir, the Government, as shown in this Report, has arrived at all kinds of transactions and arrangements with the IMF and the World Bank on loans and credits. It has got into problems over some of these arrangements. But we always know that these bad things are going on when the Government is in problems and not when the Government is obeying Cap.422 of the laws of Kenya. Since 1992, the

Government has concluded two Policy Framework Papers with the World Bank and the IMF which touch on revenue and expenditure for the Government; revenue from things like privatisation and expenditure on capital projects and so on. But those Policy Framework papers have not been brought to this House so that the External Loans and Credit Act can be applied. The

Government is currently crying to the IMF and the World, and more particularly, to the IMF that it should release the Enhanced Structural Adjustment Facility funds. But we, in the National Assembly, only hear about this. We do not see these documents in the National Assembly so that we can lend our wisdom and exercise our rights as the makers of laws in this country, so that the Government acts legally.

Mr. Deputy Speaker, Sir, when hon. Members from both sides of the House take the opportunity to go to Mombasa and deliberate on some of these things, so that we can, outside this House, come up with a common course to help a sick patient - which is the Government - from the highest echelons of power in this Republic, that kind of very well meant effort and initiative is criminalised. It is no wonder therefore, that civil servants, Ministers and so on get so demoralised, that even when the Government is acting contrary to the laws of Kenya, that is not brought to the attention of the Government. This is because from the very top, there is no intention, interest, inclination or passion to defend and promote the Constitution, let alone the laws of Kenya. That, therefore, means that in Government departments and Public Corporations, there is a lot of unsupported expenditure. In this Report alone, there is unsupported expenditure on funds from bodies such as the Nzoia Sugar Company, and unsupported expenditure of equipment supplied by Computer Applications Limited. What is hurting is that the same Computer Applications Limited has been granted Kshs500 million worth of procurement when we know that it is the transgressor in supplying equipment to the Government of Kenya and in the misuse of public funds. Why should the Government, again and again, continue to give the opportunity for this company to misappropriate public funds? Somebody somewhere must also be benefiting. So, this culture of "eating" must be brought to an end because it is the source of the ruination of our economy.

Mr. Deputy Speaker, Sir, we have said so much about the Petroleum Development Levy Fund and how the National Oil Corporation of Kenya (NOCK) keeps these funds for about nine months without remitting them to the Exchequer. During the time when the NOCK keeps these funds, does it pay the Exchequer the interest on the funds or is somebody investing money by creaming off the interest and after nine months, he surrenders the capital to the Exchequer? These are some of the basic questions that we must ask in this House, so that we stop this culture of misuse of public funds.

With those remarks, I beg to support the Motion.

Mr. Muite: Mr. Deputy Speaker, Sir, this is the sixth year for me to stand here to debate the Report of the Public Accounts Committee.

Mr. Deputy Speaker, Sir, it is depressing to me that year-in-year-out, for those six years, I stand here to say the same things. Many of my colleagues stand here to say the same things too. The Report of the Public Accounts Committee and the Report of the Controller and Auditor-General on which they are based, sound like a crime novel. When one goes through it, one feels like he is reading a crime novel. Every year, we see plunder and theft of public funds. This has become boring and monotonous. This Government has actually grown immune to exposures because the effect that exposure has is that, the person who is exposed feels embarrassed and either resigns or stops the conduct that is being exposed. The exposed individual is supposed to feel some moral obligation, that the public can see his wrong-doing. But the Government has actually grown immune. Government officers no longer care about these exposures. It is like they are saying: "Wacha waseme. Watafanya nini?"

(Hon. Nassir nodded his head)

Mr. Deputy Speaker, Sir, I am glad that hon. Nassir has nodded his head in agreement that all they are doing is to say: "Wacha wapige midomo, kwani watafanya nini?" Some of us are prepared as Kenyans, to assist this Government to come out of this economic crisis. But one thing should be made very clear. Those of us who are willing to join hands and assist this Government in finding a solution to the severe economic crisis which is facing this nation are not doing so because of the love of this Government. Far from it! Let it not be forgotten that this is a Government which has solely and single-handedly created the crisis and mess that we are in on their own. They have done it. They do not deserve anybody's sympathy. They are the ones responsible and we must not lose sight of the fact that the present levels of poverty and the current economic crisis - and we are about to go up in flames - has been caused solely by this Government. So, we are not going to assist this Government because we love it. We are going to do so for the sake of our parents, brothers, sisters and our children. We are going to do it as Kenyans and not for this Government. But are we being allowed to do that? Eh! It is like a drowning

person who refuses to take the rescue rope that is thrown to him. Otherwise, how does one explain a good effort like the one that was in Mombasa being torpedoed by some individuals in Kisumu?

Mr. Deputy Speaker, Sir, it is like when you are trying to save a drowning person and he is saying: "Let me drown". We are very much tempted to allow them to drown, only if they would be going to drown alone. Unfortunately, they are going to sink with us and we do not want to sink! They must make it possible for us to assist them. They must agree to a joint approach, both to the resolution of the economic crisis and the constitutional crisis. This is because anybody who thinks that we can resolve the economic crisis in isolation with our constitutional situation, is being naive. The two must go hand-in-hand, because it is the constitutional arrangement of power that has permitted the current economic crisis. Therefore, we cannot resolve one without the other; both must move forward simultaneously. We must move forward, as Kenyans, on both efforts. So, we want this

Government to make a very clear statement: Are they, as a Government, genuine and sincere in wanting us to find a solution to the economic crisis? Are they genuine and sincere in wanting us to assist them resolve the constitutional crisis? We do not want to be treated to contradictory positions; where one section of the Government is saying one thing while another section of the same Government is saying another thing. A situation like this confuses those of us who want to genuinely assist. We are investing a lot of time and intellect in this effort. I do not want to waste time if the Government is not genuine or sincere. We want a clear statement to this effect. If there will be a clear statement, we are prepared to assist in saving this nation, not for the ruling party, KANU, to continue governing but rather, so that there will be a country when the Opposition takes over. We want a country to take over so that we can also govern. If KANU goes down with everybody, there will be no country for us to take over and govern. But KANU has got to come out clearly.

Mr. Deputy Speaker, Sir, under the present constitutional arrangements, this Parliament, regrettably, is wholly ineffective in checking the excesses of this Government or any Government for that matter. We cannot just come here to shout, talk and expose while the plunder continues. The issue of constitutional reforms is as urgent as urgency should be. We must never allow again an individual, in his official capacity, to be the one to employ the Sub-Chief all through to the Provincial Commissioner (PC) in the Provincial Administration, for example. An institution which allows an individual to hire the Sub-Chief to be in charge of a cluster of homesteads in the countryside, through to the Chief, District Officer, District Commissioner and the PC, all of whom hold office at this individual's pleasure, who decides on their promotion, sacking or transfers. Is that Provincial Administration serving the Kenyan public or is it serving the individual who appointed them? As long as they have that insecurity of tenure, and they know which side of their toast is well buttered, it does not matter what the public good demands. It does not matter what the Member for Narok North says about the creation of additional wards. The DC will overrule him. He is going to create more wards in another place, because he deliberately wants to disadvantage one clan. He will not give a damn what the people of Narok North or Narok South want. As long as the Constitution allows an individual to promote a police constable right through to the posts of inspector and the Commissioner of Police; these officers hold office at the pleasure of one person who promotes and sacks them even at public meetings. Is the police force going to serve the law in the public interest, or just for one individual?

Mr. Deputy Speaker, Sir, they are going to serve the individual who is responsible for their employment, promotion and their demotion. There was a time in this country when the Public Service Commission had power and teeth. Those were the days when a Kenyan could be invited for a job to go and work for Coca Cola Company or another major company on the one hand, and the Kenya Government on the other and they would opt to work for the Kenya Government because of security of tenure. In the private sector, you could be sacked, but people knew that with the Public Service Commission, sacking one was almost unheard of because of the procedures that would have to be followed. The Public Service Commission was responsible for the engagement, promotion, hiring and disciplinary matters. But the Constitution was misinterpreted by one, Mr. Justice Hancox in 1982, who said: "The Public Service Commission is irrelevant. Every public officer in this country, from the lowest to the highest, holds office at the pleasure of the President." So, today, you cannot be made a Senior Assistant Secretary or even an Assistant Secretary without authorization of one individual who promotes, sacks and transfers them.

Mr. Deputy Speaker, Sir, are these civil servants going to serve the public good or an individual? This is the sort of constitutional situation we are talking about. In fact, some people argue whether God exists or not. I am a Christian; an Anglican. I tell those who argue whether God exists or not that, the fact that, Kenya still continues to exist as a nation is a conclusive evidence that God exists. We have no reason to be existing as a nation. One wonders at the way we conduct ourselves and the way we have looted this country. It is evident! We only continue to exist as a nation because God exists. But we are living on borrowed time and borrowed time expires! We must re-arrange this constitutional order.

When we say that we must re-arrange the distribution of power, we are not thinking about the current

incumbent. No! We are more afraid of the possibility of one of us from this side taking over as a president with the current powers. Some of us will probably be ten times worse than the incumbent. So, we do not want to have a situation ever, where these powers are actually vested on one individual or institution. Because given the present arrangement of powers in this country, even if we were to borrow an angel from Heaven to come here and become the compromise president, that angel will cease to be an angel with all these powers that will be vested in him. So, we have to re-arrange these powers. When we are re-arranging them, even in the interim, let us get away from this mentality, that we have got second class citizens in this country.

Mr. Deputy Speaker, Sir, every person in this country is a human being; a Kenyan and we must proceed on that basis. For example, we are treating hawkers and matatu touts in this country as if they are second class citizens. They are not second class citizens! These people are human beings; they have got wives and children. They need meals to eat, beds to sleep on and they need shelter. They have got the basic needs like any other Kenyan. So, let us remember that we have to weigh the interests of the shop owners here; the ones who own all the shops along Moi Avenue. I am not a racist. The fact of the matter is that, the majority of them are Indians. I am not saying that they should be kicked out, except the ones who have been facilitated, in the recent past, in buying their citizenship. Those ones have got to be re-examined. Even the people who pocketed that money have got to refund it. I am not saying that they should go away. All I am saying is that, let us balance the interests of these shop owners with the interests of other Kenyans. Why has this Government, in terms of planning, not reserved open spaces in strategic places, going towards Nairobi West and Nairobi South? This Government should have created space on these plots that they are giving to politically-correct people. Why do they not take an acre and reserve it, on the way to Nairobi West, for an open air market for the hawkers? These places should be reserved for the hawkers. But instead of doing that, every available inch of land in Nairobi has been grabbed by the politically-correct people. So, it is not the fault of these people who are in the streets, it is because the land has been grabbed and no space has been reserved for them.

In fact, if you go to any big city in the world, even in London, you will find that there are streets that are blocked on both ends for pedestrians. No motor vehicles are permitted to pass through such streets because they are reserved for hawkers. You have to go there on foot and you can buy anything. Why can this Government not consider, for example, to blocking one road, even if it is on a Sunday? Choose a road or a lane that you can block on Sunday to motor vehicle traffic and reserve it for hawkers. Hawkers are everywhere, even in London. Recently, I learned that some notice has been given to all the beach operators; all the way from Malindi right down to South Coast. They are to clear off because they are interfering with the business of major hotels. These poor beach operators are there because they cannot afford to buy Mombasa Beach Hotel. They are eking out a living by selling very little items like ornaments and things like that. Let us regulate them. Let us not kick them out. Let us balance the interests of the well-to-do with the interest of those who are not. Since the Ministry of Tourism---

Mr. Shidie: On a point of order, Mr. Deputy Speaker, Sir. As much as I do not want to interrupt my hon. friend, I am finding to be very irrelevant to this Motion on PAC Report. He is just discussing other things; like the Constitution. He is totally out of order!

Mr. Deputy Speaker: Well, I hope hon. Muite is merely laying a ground for himself to come and attack the Motion before us.

Mr. Muite: Yes, Mr. Speaker, Sir. In fact, I am talking about how we can raise the Budget and avoid the sorrowful issues we are reading in the Public Accounts Committee Report. Land will be a major source of revenue to this Government. Perhaps, if we could have a policy on land, there would not be need to overtax Kenyans. We would stop stealing and plundering money the way we are plundering and land grabbing. Land in this country is held on trust. Public land is held on trust by the President, county councils and local authorities. "Trust" means that, the disposal of that land should be for the benefit of the public.

Therefore, if there is any land that the Government does not need for any purpose, it should be advertised and sold to the highest bidder. There is a plot in Upper Hill and another one next to Parklands Club, with big houses there and they were given to the politically correct individuals. And these houses are standing on an acre of land and the following day the individuals sold the plots for Kshs40 million each and put the money in their pockets. I know two ladies who have been given that land, but they are going to refund that money. What justification is there that I am sitting here in this Parliament with the Member for Imenti South; we are both poor and in the evening, I am given two plots, and tomorrow, I sell them for a total of Kshs80 million and he is still poor! What right do I have to get that amount of money from public land? If the Government does not need that land, let it be sold publicly, so that the highest bidder can buy it and that money can go into the Consolidated Fund and be spent on the repair of roads, improvement of our hospitals, buying of drugs and for the improvement of our schools. The only land that should be given out is where we are building a public utility like a hospital, a soccer pitch or some other purpose that is going to benefit the general public. But any other land that has been given for

the benefit of individuals is land grabbing. I would like to say that land gabbing has not started during the tenure of the current regime. It started in 1963 and I have got copies of files of the first three individuals in the history of independent Kenya to be the beneficiaries of land grabbing, from way back in 1963. So, when we have a new constitutional arrangement and we have a truth and reconciliation commission, which the Member for Kerio South tells me we should have established in 1963--- In 1963, we only got independence for the ruling clique in this country. The Wananchi of this country have not had any independence.

The Minister for East African and Regional Co-operation (Mr. Biwott): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member for Kabete in order to mislead this House on a matter which I said very clearly and in plain language? What I said was that, if he wanted a relevant truth and reconciliation commission, modelled on the South African one because that is where he borrowed the idea, it is not his original, that should have been done in 1963, precisely for the purposes of trying the home-guards and all those who were involved.

Mr. Deputy Speaker: Order! Hon. Biwott, just say what is your point of order and resume your seat.

Mr. Muite: Mr. Deputy Speaker, Sir, the truth and reconciliation commission will be appointed--- Even if it goes back to 1963, it will come all the way through and it is going to ask questions touching on such issues as the murder of the former Minister for Foreign Affairs and International Co-operation, the late Dr. Robert Ouko, for instance, the Kisumu Molasses Plant, about Turkwell Hydro-power Project and all other necessary issues, and all those with useful information to give to the commission, will be summoned to appear before it.

The Minister for East African and Regional Co-operation (Mr. Biwott): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to continue misleading this nation on that truth and reconciliation commission? That commission can be formed today, not tomorrow and you will find that hon. Nicholas Biwott is the cleanest man in this republic!

Mr. Deputy Speaker: Order! hon. Members, points of order are not meant for the purposes of engaging in arguments across the floor. So, hon. Muite, please confine yourself to the subject matter of our debate. Proceed.

Mr. Muite: Mr. Deputy Speaker, Sir, I had not even mentioned hon. Biwott and there was no need of him talking about his cleanliness. We will find that out when the time comes. I was saying we need to be sensitive---

Mr. Biwott: If there is any way we will find criminals, it is this one here---

Mr. Deputy Speaker: Order! Order all of you! Order hon. Biwott! Hon. Members, you have your Standing Orders and they tell you exactly what you do when you rise on a point of order. So, please observe them. Proceed hon. Muite.

Mr. Muite: Mr. Deputy Speaker, Sir, may I, through the

Chair request that the Member for Kerio South withdraw the statement that I am a criminal. That is unparliamentary and I am asking that he withdraws, because when he is in this House, he is here on equal footing with any other hon. Member of this House. He may be a powerful member of the "kitchen cabinet", but when he is here, he is equal to any other Member.

The Minister for East African and Regional Co-operation (Mr. Biwott): Mr. Deputy Speaker, Sir, first of all, I do not operate in the kitchen. I operate in the open. Secondly, I did not call him a criminal. He talks about crimes to necessitate the formation of the truth and reconciliation commission. I said if those crimes have been committed, it is by him and nobody else. Not even Nicholas Biwott.

Mr. Deputy Speaker: Order! Hon. Members, we have a very useful Motion before us. Why can we not concentrate on debating it and tell Kenyans what we think about the expenditure of their money? Will you proceed hon. Muite?

Mr. Muite: Mr. Deputy Speaker, Sir, I would like to end my contribution because I do not want to talk when I am a little bit angry. I must admit that the hon. Member for Kerio South has succeeded in pushing up my blood pressure.

(Laughter)

What I am saying is that we are going to continue being ineffective, as a House, without reforms. I was short of indicating the sort of thing that we are going to do when the reforms are in place. We cannot ask this Government which is responsible for this mess to appoint a truth commission. Commissions or tribunals to them mean cover-up as we know. Any commission they appoint is purely for cover-up.

With those few remarks, I am not able, regrettably, to support this Motion because it is an exercise in futility.

Thank you.

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): [The Minister for Home Affairs, National Heritage, Culture and Social Services]

Bwana Spika, nakushukuru kwa kunipa nafasi hii, kwa sababu, yaliyotolewa yote, kila mtu ana mawazo yake yaliyoandikwa kama kitabu; yote ni sawa kutolewa. Hii ni kwa sababu kila mtu ako na uwezo wa kusema yale anayoyafikiria Lakini ikiwa tu viongozi, ukweli lazima tuwaambie wananchi. Taabu ya pesa, kusomesha watoto au kuendesha serikali, ijulikane katika Kenya ya kwamba serikali hii haina kisima cha mafuta, haina madini, na watu wanaozaliwa katika Kenya ni wengi zaidi kushida pato letu tulilo nalo. Miaka michache iliopita, tulikuwa watu 17 millioni; leo tuko karibu 30 millioni. Hayo mambo pia lazima tuwaambie watu. Makosa, hatuko peponi, tuko katika dunia. Ni lazima tuwe na shida. Lakini namtafuta yule mtu mwenye kutafuta dawa, na dawa ni katiba mpya itakayotengenezwa. Kwa sababu kila mtu atakitumia kile akipatacho na akiiba, ataiba kwao, na atakuwa ana hatia kwa watu wa kwao wenyewe. Hakutakuwa tena kuibwa Nairobi, kwa sababu hakuna sauti katika Pwani, Murang'a, Kisumu na kila pahali, kwa sababu sauti iko hapa Nairobi ambao wako mahodari wenyewe, na wengi ni mawakili.

Bwana spika, mambo haya yamekuja kwa wakati wake ambao katiba ikitengenezwa, tutajaribu kuweza kugeuza mambo mengi. Katiba si tu ya kupeleka serikali, hata mambo haya yaliyomo pia, yataweza kupunguzika. Lakini napenda sana watu wasiogope mambo ya Katiba ya kutengeneza nchi yetu. Nataka wote wajitolee na wafikirie ni fikira gani nzuri. Mheshimiwa Muite na watu wengine wameongea juu ya land grabbing. Hata mimi, kama ilivyokuwa zamani, 1962, tulifurahi kusikia mtu amepata ardhi huko Pwani. Hata ninyi leo, msikasirike sana na kusema ni land grabbing. Watu wale wale; si Mzungu, si Mhindi, ni watu wale wale.

(A mobile telephone rang in the Chamber)

Mr. Deputy Speaker: Order! Order! While I was consulting with other hon. Members, one hon. Member seems to have brought a mobile telephone into the Chamber. That is totally out of order and could he kindly take it out.

(Mr. Kimkung withdrew from the Chamber)

(Applause)

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): Bw. Naibu Spika, mambo haya yote ambayo nimezungumza yatazingatiwa na Katiba yetu. Watu wa KANU hawajanyakua ardhi hapa Nairobi kwa sababu hawana uwezo. Ardhi ya manispa imenyakuliwa na wale ndugu zetu wapendwa na wasomi ambao wanajua zaidi; madiwani wa Upinzani wakiongozwa na Meya na Naibu wa Meya wa Jiji hili. Mtu wa KANU haendi kunyakua ardhi ya Manispa.

Ikiwa atatoa ardhi---

Mr. Muite: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Minister to mislead the House that land grabbing within the municipalities and local authorities is done by the councillors, mayors and their deputies when he knows or ought to know that land grabbing within the area of a local authority is facilitated by the Town Clerk who is an employee of the Ministry of Local Authorities and officers from the Ministry of Lands and Settlement? The councillors usually know nothing about this.

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): Bw. Naibu Spika, ninafikiri mhe. Mbunge hajawahi kuwa diwani, nilikuwa diwani wa Mombasa na ninaelewa mambo hayo sana. Madiwani wakikutana hata mhe. Mbunge au Waziri hawezi kubadili misimamo yao. Watu hawa wamekuwa hodari kwa kuiba barabara Kenya nzima, sio Nairobi tu. Tusiogope kurekebisha kasoro hiyo. Ni lazima tushirikiane kutatuta shida ambazo zinatukabili kutokana na Ripoti hii ya PAC. Mimi sina uwezo wowote dhidi ya watu hawa katika eneo langu kwa sababu amri zote zinatoka Nairobi. Nimekuwa Mbunge kwa miaka 25 na kila mwaka hadithi ni ile ile. Kwa hivyo, tutafute njia ya kusuluhisha taabu hizi lakini tusifanye hivyo kupitia kwa magazeti.

Mr. Kamanda: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Minister in order to tell us that we should co-operate when we are being beaten by the President of this country?

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): Bw. Naibu Spika, hakuna chama ambacho kinataka kushirikiana na watu kama chama cha KANU. Uhusiano wetu unaonekana wazi ingawa watu wengine wanawachochea wenzao. Mnaharibu watu wenu na sisi hatuna lolote isipokuwa kulipiza kisasi. Watu wengine wananichukia kwa sababu nilichaguliwa Waziri. Hii ndiyo sababu tunataka kushirikiana na vyama vyote kama vile tumefanya na chama cha NDP. Wahe. Wabunge waliopo katika

Bunge hili wameshuhudia Serikali ya hayati Mzee Kenyatta na Serikali ya Rais Moi na tuna uwezo wa kusuluhisha shida zinazowakabili Wakenya. Hatua ya kukimbilia magazeti kama vile *Daily Nation, The East African Standard* na *Kenya Times* haimsaidii Mkenya isipokuwa kusababisha michafuko tu. Tunataka watu ambao wana ujuzi waungane na KANU ili kutafuta njia za kusuluhisha matatizo yanayowakabili wananchi wa kawaida. Ninafahamu kwamba watu wengine wana mabibi wawili na watoto huko Kikuyuni. Sasa, watoto hawa watakula nini ikiwa tutawachochea? Kuwachimba watu wengine haitatusaidia bali, tutafute njia ya kuokoa nchi yetu. Nchi hii si ya KANU, DP, NDP au FORD(K), lakini ni ya Wakenya na Serikali ijayo itakuwa ya Wakenya. Sisi ambao tumefikia miaka hii hatuna taabu tena, lakini ikiwa ninyi mnataka kuharibu nchi, mtaharibu wakati tunastarehe. Tumeona mambo mengi na tutafurahi, lakini ninyi ambao mnajifanya "intellectuals" mnaharibu mambo. Wasomi ni hodari sana kwa kuchochea ghasia na hawaambii wananchi njia ya kujipatia mikopo ambayo itawasaidia.

Ninastaajabu sana wakati watu wengine wanasema kwamba Wakenya ni wananyakuzi wa ardhi. Ikiwa Mkenya anataka ardhi atapewa wapi; London, India au wapi? Si atapatiwa kwao! Kama wengine wetu tulipitia kwa diwani au mtu fulani ili tukapata ardhi, tuwaonyeshe wengine njia ya kupitia. Tusiwadanganye wananchi bure huku tukistarehe na kuendesha magari makubwa makubwa, ilhali maskini hawapati mahitaji yao ya kimsingi. Nchi yetu haina mafuta wala madini, kwa hivyo, tushughulikie watoto wetu ikiwa tunataka wawe na maisha mazuri siku zijazo.

Mr. Achola: On a point of order, Mr. Deputy Speaker, Sir. Despite the fact that hon. Nassir is unnecessarily entertaining this House, is he is order to digress too much because we are debating a very important Report of this House?

Bw. Naibu Spika, hata marafiki huteta pia saa nyingine, na huyo mhe. Achola ni rafiki wangu. Kwa hivyo, ni vizuri kwa yeye kusema hivyo. Pia wahe. Prof. Anyang'-Nyong'o na Muite wanaweza kusema hivyo, lakini kitu kikubwa ni kwamba uhodari na kuwa na ulimi wa kusema vile upendavyo haviwezi kuipeleka Kenya mbele. Ni lazima tuketi na tuangalie taabu---

Prof. Anyang'-Nyong'o: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Minister in order to speak in expressions which cannot be translated in the HANSARD?

(Laughter)

Mr. Deputy Speaker: Order! Hon. Members, I would like to draw your attention to Standing Order No.87 about relevance and repetition. So, do not stray too far away from that Standing Order. Hon. Nassir, proceed and use the language which the HANSARD staff can understand.

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): Bw. Naibu Spika, nitajaribu kuzungumza kwa lugha ya kibara kwa sababu watu wengi hapa hawafahamu lugha yangu, lakini nia yangu ni kuomba Wakenya wapendane na wale ambao wana mali wasaidie wale wasio na mali. Watu wasio na mali ni wengi katika Kenya na nimesema tena kwamba kama Katiba ya Kenya itarekebisha mambo yote hata wizi, basi kila mtu ataiba kwao na afungwe kwao. Lakini akiiba hapa Nairobi, atawafanya watu walale na njaa na hiyo itakuwa taabu kubwa sana.

Bw. Naibu Spika, kwa hayo machache, naunga mkono.

Mr. Odoyo: Thank you, Mr. Deputy Speaker, Sir. I would like to contribute to this Motion. It is becoming increasingly clear that the litany of the Public Accounts Committee and the Public Investments Committee falls into five main areas. These are: Land grabbing; excess votes; illegal borrowing; mismanagement of financial and economic affairs and outright theft.

Mr. Deputy Speaker, Sir, the story is no longer one of how much. The question now is: What can we do as a Parliament? I am sure that all Members who will get a chance to contribute are going to mention that plots have been grabbed. I can talk about some pipes in Nyakach Constituency which were said to have been made of steel, although they were made of ungraded plastic materials and the litany can go on. The question as I said is: How are we going to arrest this situation? If the Government has failed to act on the recommendations of the Public Accounts Committee and the Public Investments Committee, should we as Parliament continue to vote money for the Government? Is it in order to allow us to continue approving budgets annually when we are going to have Ministries far exceeding their ceilings; billions of shillings being borrowed without Parliamentary approval; tenders being awarded without us following competitive bidding standards and outright theft of public funds? Why should Parliament continue to vote money? I think we should say that come July, Parliament will refuse to approve the 1998/99 Budget until Government takes some action on the recommendations of the Public Accounts Committee and the Public Investments Committee?

Mr. Deputy Speaker, Sir, Parliament has already formed several committees and we must thank the Seventh Parliament for forming these committees. I am a member of the Finance, Economic and Trade Parliamentary Committee. However, the question is: Do we have teeth to bite or we will continue making recommendations which the Executive arm of the Government will not honour or will the courts continue to be powerless because evidence has been withheld by the Executive? Obviously this is the question that the Kenya Constitutional Review Committee should address. There should be balance of powers between Parliament, the Executive and the Judiciary. This position should be reviewed because we should not as a Parliament continue, voting millions and billions of shillings and continue yelling at litanies on how money has been misused.

Mr. Deputy Speaker, Sir, the question is: Should we as Parliamentarians and representatives of the people in this august House, allow this to go on? If it is going on, what can we do? I pose this question as a challenge to all fellow Parliamentarians. It is no longer proper for us to come to Parliament and continue mentioning one misdeed after the other and continue commenting while the Executive just sits there and does nothing? We have civil servants who come to this august House to take notes. We have Ministers who are supposed to direct the police to take some action and yet, nothing is happening. My proposal is: Come June, Parliament should refuse to pass the Budget until the Government has taken some action on the reccoemdations of the Public Accounts Committee and the Public Investments Committee.

Mr. Deputy Speaker, Sir, in Uganda although Parliament came into being less than a decade ago, we have cases whereby the police and the Judiciary are taking immediate action on the recommendations of the Public Accounts Committee. We do not have to go much further since our neighbour, Tanzania acts on the recommendations of the Public Accounts Committee within 30 days after they have been tabled in Parliament. Why is it that we in Kenya are unable to take some action and yet, the Minister for Finance keeps on informing us about lack of money and about our inability to raise revenue and arrest the drain on the economy? Even though, the Minister for Finance has been very brave - this is the first time that we have a Minister for Finance who dares to accept that things are bad but whether he live to tell the tale, time will tell.

Mr. Deputy Speaker, Sir, looking at the documents that have bee tabled, it is very clear that there are some specific Ministries that flout all the well-known regulations. This includes the Office of the President, the Treasury, which is supposed to be looking after these finances, the Ministry of Health, the Ministry of Education and Human Resource Development. All these Ministries account for more than 70 per cent of the mismanagement, misdeeds, bad tenders, land grabbing, excess votes and the outright theft of Government resources. Why is it that Parliament is unable to do something about these four Ministries? Should we say that come 1997/98 Financial Year, all salaries for all Permanent Secretaries and all Accounting Officers, District Officers and District Commissioners should not be approved until they take some action?

Mr. Deputy Speaker, Sir, also we have questions over the dignity of Parliament. About a week ago, the Head of the Civil Service misinformed the whole Republic that the creation of additional Government Ministries would not lead to extra expenditure whereas the following day, the Minister for Finance asked us to approve extra Supplementary Estimates.

Mr. Deputy Speaker, Sir, we do not have a system whereby the Accounting Officers are linked up to the Treasury. That is the root cause of the financial mismanagement in this country. We have Accounting Officers who do not know the meaning of the term "Budget". They are not aware that when they spent so much they are exceeding their Vote. I would, therefore, urge the Minister for Finance to take into consideration the need to retrain all the Accounting Officers, or to come up with a minimum requirement for those officers who handle accounting and financial matters before they are appointed as Accounting Officers.

In my final submission, I wish to comment on the outright theft of Government resources. This theft is either by omission or commission. There can be omission in the discharge of duties and commission occurs when an Accounting Officer pays for the supply of goods which have not even been delivered. Outright theft of Government resources accounting for as much as 25 per cent of the losses of revenue in this country. For how long are we going to listen to this litany of theft? We are talking about it, but at the end of the day, it will remain another litany like what hon. Members have pointed out. Is it not time we gave an ultimatum to the Executive and the Judiciary to tell us whether the culprits named in this Report are guilty or not of the outright theft of Government resources? Why should court cases drag on for three or five years? Is it to enable the public and Parliament to forget about them? Time has come when we should give an ultimatum on both the Executive and the Judiciary to take action against officers named in this Report? As the hon. Member for Nyakach, I have a long litany of thefts in my Constituency. I have mentioned the Nyakach Water Project which is listed to have steel pipes but has ungraded pipes. I can go on giving the litany but that will not help this country at all.

Mr. Deputy Speaker, Sir, what can we do as policy makers? I recommend that during the review of the Constitution, Parliament should emerge as a supreme body in the new Constitution. Let the Executive and the

Judiciary discharge their proper duties. Instead of the Chief Justice recommend laws to Parliament for enactment, he should act. If he cannot act, this House should pass a law which will empower him to act.

Mr. Deputy Speaker, Sir, the litany will go on in the country so long as we do not punish officers who mismanage public resources. I urge this august House to take serious action on this outright theft of public resources. It makes no sense to us to continue listening to litany after litany. It is time for us to act. As the Eighth Parliament, what shall we do to make the Government account for its financial expenditure? We all agree that it is not the responsibility of Parliament to punish officers who are named in this Report as being responsible for mismanagement of public resources, but that is where we are wrong. Parliament should be blamed for the sorry state of the economy. It is not the Government. We, in Parliament, have left the Government run riot by excessive funding of outright theft, land grabbing and so on.

Time has come for us to blame the Parliament for the economic mess in this country. Why can we not take a serious look at ourselves, as Parliamentarians, and take action on this outright theft? What will the Eighth Parliament do about this mismanagement of public resources? We vote funds for the Ministries, approve annual the Budget and Supplementary Estimates, and yet we have no power to ensure that whatever has been approved will be managed in accordance with the laid down policies and guidelines. It is time for us to stop blaming the Government. Parliament must realise that the buck stops right here. Hon. Members, it is the responsibility of this august House to draw up policies, legislation and guidelines for the Executive and the Judiciary. We are, indeed, the first estate; the Judiciary is the second; the Executive is the third and the Press the fourth estate. What are we going to do as members of the first estate? I urge all leaders of conscience to go beyond mere rhetoric and take full responsibility as Parliamentarians.

With those few remarks, I beg to support.

The Member for Ol Kalou (Mr. Muriuki): Thank you very much, Mr. Deputy Speaker, Sir, for giving me a chance to contribute to this Motion. My name is Eng. M.K. Muriuki, hon. Member for Ol Kalou in Nyandarua District.

First and foremost, I would like to take this opportunity to thank the people of Ol Kalou for electing me with overwhelming votes. I would also like to thank the Official Leader of the official Opposition for appointing me, among others, to his Shadow Cabinet.

As a new hon. Member in this House, I have listened to contributions by various old hon. Members, but those of us who are new find it very difficult to know what option to take in respect of the Public Accounts Committee Reports, which date back to four or five years ago. We are discussing Reports which show that a certain project of flats for General Service Unit (GSU) camp was supposed to cost K£102 million. It was abandoned when it was almost 90 per cent complete. We do not have the camp or K£102 million. It is not possible to say which action this House can take against those who misappropriated public funds. In another case, we are told that the Government Press was supposed to be renovated at a cost of K£92 million. It is a pity that it was not renovated, and the Accounting Officer cannot account for K£92 million. What is needed most in this country is legislation to empower this House to take some action against those who have mismanaged public resources, so that we can correct the situation. At the moment, we are all concerned with the improvement of the economy, especially the infrastructure. When we talk about the roads, we seem to concentrate on roads from Nairobi to other major towns and we forget about the infrastructure in the rural areas.

Mr. Deputy Speaker, Sir, Ol Kalou Constituency has great potential in dairy production and horticulture, yet there are no roads there. I cannot blame it on the *El Nino* rains, since there were no roads in the first place to be destroyed. They were spoilt many years ago.

Mr. Deputy Speaker, Sir, the main roads which we have in a typical rural area like Ol Kalou are only two, classified as class C. There is one from Ol Joro Orok to Ndondori upto Ol Kalou. When I perused through the forward budget for 1998/99, whereas the people of that area have been attending all leaders meetings and DDC's and have prioritised these roads, I was surprised that under general vote D13 of the forward budget, there is Kshs1.1 billion budgeted for the period 1998/99 and Kshs1.4 billion for 1999/2000. This amount of money has been budgeted for the roads of that kind and yet, roads in our constituency are not mentioned. I would like to ask the Minister for Public Works and Housing to at least, allocate us some money for the planning, so that the actual construction can be done when funds are available.

Mr. Deputy Speaker, Sir, still on the forward budget which is the prelude to further expenditure by the Government and maybe, future PAC reports, under the general vote D11 for Health Centres, whereas we are completely deprived of health facilities in our constituency, there is a total of about Kshs1 billion in the Forward Budget. We are struggling to raise funds to develop eight health centres and yet they have not been considered anywhere in the forward budget. I would like to ask the Minister for Health to kindly pick on any two Health Centres in my constituency and include them in the Budget.

Mr. Deputy Speaker, Sir, I do not want to bore everybody with the predicament of Ol Kalou Constituency, but in the forward budget, on every page it is indicated as approved forward budget. So, if these issues are not mentioned in the current budget or the next three years, it means that we would miss the train of development in our area until 2001.

Mr. Deputy Speaker: Order! Order! Hon. Muriuki, we are debating the PAC Report.

The Member for Ol Kalou (Mr. Muriuki): Mr. Deputy Speaker, Sir, since this is my maiden speech, I thought I should just continue and say something about the people who sent me here.

Mr. Deputy Speaker: Yes, but there are rules of debate!

The Member for Ol Kalou (Mr. Muriuki): Mr. Deputy Speaker, Sir, please allow me to mention another bit. Since we are looking and the PAC Report, whereas the rest of the nation is discussing how well or badly the accounts were done, I would like to say that the 140,000 people in my constituency were left out in all these activities, whether they were done well or badly. There are budgetary estimates for district headquarters, whereas we have new district headquarters, it is not mentioned anywhere. So, all I was asking is that, the Minister for Finance should make sure at least we get included in the budgetary estimates.

Mr. Deputy Speaker, Sir, we cannot develop the country unless people are developed. For any country to develop, there must be some semblance of some equitable distribution of whatever little there is.

For anybody to read these accounts, they need a calculator. This is because, our budgets and accounts are done in Kenya Pounds which are no-longer in practical use outside the documents of the budget. I would like to suggest that in future, the Minister for Finance should consider doing and presenting the budget in Kenya Shillings, so that we do not have to keep on converting. Some of the figures in the Report have been in Pounds and others in Kenya Shillings, I would like to request that they all be done in Kenya Shillings.

Mr. Deputy Speaker, Sir, ministries in our country change very fast, so that sometimes one item which was in a certain department in a ministry is also changed. I would like to suggest that, perhaps it is about time Parliament harmonized the ministries we have and somehow stuck to them. As per the Constitution, it is perhaps in order to leave the prerogative of who is appointed to a ministerial post to the President. But, the ministries should be harmonized.

Mr. Deputy Speaker, Sir, we have had calls for co-operation from all parties. We should forget about our party affiliations and think about the nation first. All the leaders of all parties should get together, forget their differences and look at the economy of this country. While doing that, we should not forget the rural areas.

Thank you very much.

Mr. Ndicho: Thank you, Mr. Deputy Speaker, Sir, for giving me time to contribute to this Motion. Anybody who has gone through the PAC Report and has been following the reports of the Controller and Auditor-General will find out that what is happening in this country, is sheer naughtiness from the Government. We have laws and rules which have been put in the statute books to control and regulate Government expenditure. There is nothing that concerns the rules, laws and the Constitution that has not been stipulated in our law books. It is simply that the Government does not mind breaking the same laws. Yet somebody stands here every time to say that he is defending the Constitution and that God should help him.

Mr. Deputy Speaker, Sir, the problem is not that we have poor economic managers, but that we have poor political managers. Where there is no political will, there will be poor economic governance. What we are seeing is exactly what happened in Uganda during the reign of Iddi Amin Dadda who decided to flout ever rule and law that every existed in Uganda. He took the money that the people of Uganda had contributed as his own money and did what he wanted with that money. There were many people in Uganda who were pointing out to the Government of Uganda that things were going wrong. One time, the Government printed a lot of money. When somebody went and told the then President Idi Amin Dada that, what the country had was paper money without value, he reacted very angrily and violently, and hanged that person. He was killed for telling the truth. At the end of the day, the Government of Uganda could not continue any longer. This is because if you have a poor political leadership, you will definitely have poor economic governance and the country is bound to collapse. It is very sad that our beloved country Kenya, might be heading the same way. As the hon. Member for Nyakach stated - and I really enjoyed listening to his points - the supremacy of Parliament has been destroyed by the assumed supremacy of the Executive. In western democracies, Parliament is far much stronger than the Executive. The problem that we have, even with our politicians is that they want to be Members of Parliament in order to be appointed to the Cabinet. They want to be appointed Ministers and Assistant Ministers. Even when others are campaigning and soliciting for votes from their people, they tell the people that they are good friends with the President, and when they are elected, they will be given "a flag" the following day. They say; "in fact, I am slotted as one of the ministers". Others will say; "you know, even if I am not appointed a Minister, I will be

an assistant minister". Others were even saying; "you know, kama mambo hayataenda vibaya, I will be the vice-president".

I am saying this to show that it is important to be a Member of Parliament than to be a member of the Government. This Parliament should be summoning members of the Government like Ministers, Assistant Ministers and senior employees, especially those in the accounting departments of departments and corporations, and punish them if they have committed any crimes. The Public Accounts Committee Reports have, over the years, told us who committed these crimes. But it is saddening to see how useless and powerless the Kenyan Parliament can be. We are very worried that we are Members of Parliament who cannot do anything. Over the weekend, when we were at Mombasa, I reminded the hon. Member for Limuru how the former MP for Limuru, hon. James Gichuru was powerful. He could say anything and any civil servant would know that he was the MP for Limuru. Today, the Member for Juja might say something and he is told to go and say whatever he is saying to Parliament. He is told that by a civil servant. There are many times that I have confronted the Medical Officer of Health (MOH) for Thika District Hospital. After discovering that the money the Hospital gets from the Government is misappropriated, nothing is done.

Mr. Deputy Speaker, Sir, I hope what other hon. Members have said towards empowering this House will be taken into consideration. Let us make this House powerful so that anybody who has stolen public money can be exposed accordingly. Let this House be revered and be feared.

Mr. Deputy Speaker, Sir, we have read of powerful individuals who have got very strong political connections having stolen money or grabbed public land; and all we hear is that the Ministry is not aware. Even this afternoon, we have been told that public land has been grabbed at Dagorreti, and the Assistant Minister has said that they have no records to that effect. Hon. Mrs. Mugo has provided him with the records and he should act. Hon. Muite has rightly said that if the Government does not need the land in question and it wants money more than that plot, let that plot be advertised as required by law. The Government should then take the initiative to inform Parliament why the plot has to be disposed off. Does it mean that the Government does not have any money so that it has to sell public land? When Parliament is as weak as the Kenyan Parliament is today, it does not only affect hon. Members from the Opposition. It also affects those hon. Members on the KANU side. We also know that there are some Ministers who are more powerful than others. There are those who can go and tell a public servant in their constituencies not to misappropriate public funds and that public servant will comply. The public servants know which Minister is powerful and which one is not.

Mr. Deputy Speaker, Sir, we are talking about empowering our Parliament for the benefit of all of us. Hon. Biwott can order senior civil servants to do certain things but other Ministers cannot attempt that. All Ministers should be accorded equal respect by public servants. All Members of Parliament should be as strong as they should be. That is the only way that the money which our people contribute to the Government can be expended in the appropriate way.

Mr. Deputy Speaker, Sir, we had the advantage of learning a lot when we were in Mombasa. We heard the Minister for Finance, ably and so plainly tell us the exact position of our economy. Some of us had to make a complete about-turn on what we thought of our Minister for Finance. He is my fan today. After he delivered that key-note speech on the economy, I completely made an about-turn. I think this is a man who can be given the mantle of the Presidency of this country and he will bring it back to track. He presented his speech without fear or favour. We are looking for that kind of man in Kenya and in this Parliament who says things very boldly. I am happy that all the Abagusii Members of Parliament rallied behind him when some people threatened to have him sacked.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Deputy Speaker, Sir. Is hon. Ndicho in order to allude that he can never vote for anybody who is not a Kikuyu?

Mr. Ndicho: Mr. Deputy Speaker, Sir, I do not want to trivialise this issue. The hon. Member for Kilgoris is now trying to deviate from this very important debate. We know he is a frustrated fellow because he was not appointed a Minister as he anticipated. But we are saying that, we want somebody--- In fact, if this kind of an hon. Member is appointed a Minister, you can see how deep he will to have--- Let me not use an unparliamentary term.

Mr. Deputy Speaker, Sir, there is money that is supposed to be in the Consolidated Fund and I learned that there is another fund called Civil Contingencies Fund from where the Government may draw money when there is a real emergency. I had the benefit of learning all this from the experts on the economy. I am not an authority on the economy but I was a very good student. When the Government has the audacity to go and get money from the Consolidated Fund without authority from Parliament, then, we cease to be a Parliament. There is that Fund that the Government knows and everybody knows. There is some money you are permitted to take, in case you have an emergency, and there is money that you cannot have unless you have the approval of this House.

But the

Government goes ahead and withdraws money and violates the provisions of the law with impunity. This is why we are saying that time has come when we should have another comparative Government so that we can show these hon. Members how an advanced nation like Kenya should be governed.

Mr. Deputy Speaker, Sir, we have had 35 years of Independence today, but we are behaving as if we got Independence the other day. It is as if we are now learning how to run a Government. All we are saying is that, we want to help KANU. It has done all the evils. It has caused the crisis in the economy. We are telling them that, "you did that alone" we would like to help you. But somebody says: "Hii ni Serikali yangu." Basi chukua Serikali yako kama hutaki kusaidiwa! As hon. Muite put it, we know that you guys are sinking. But I know there are some who would like to step on you and tell you to "sink", but there are others who have got the interest of this country at heart and would like to rescue you because doing so is also rescuing all of us and the whole country. When you say "Serikali yangu, hapana mimi---

The Assistant Minister for Rural Development (Mr. Sirma): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member for Juja in order to call KANU hon. Members thieves and yet most of the hon. Members in the Opposition are the people who stole before they went to the Opposition?

Mr. Ndicho: Mr. Deputy Speaker, Sir, where did I call anybody a thief?

Mr. Deputy Speaker: Order! I did not hear hon. Ndicho call KANU hon. Members thieves. But if he did, we will refer to the HANSARD tomorrow, and

in which case, I will take him to task. **Mr. Ndicho**: Mr. Deputy Speaker, Sir, I would like to go to another point. We are talking about reducing the expenditure of this Government. Kenya is overspending its money and we have gone into details and depths about this. When we were still talking about it in Mombasa, we heard that nine more district commissioners have been appointed and two more districts have been created. There is no problem with appointing DCs and creating more districts. That is not the issue. The issue is, whether we have money, at this point in time when we are having an economic crisis, to enable us to create new districts and to appoint more district commissioners. We are talking about cutting down on Government expenditure, yet when some people are supporting this idea in Mombasa, in the other waters, somebody is saying a totally different thing. Then where are we?

Mr. Deputy Speaker, Sir, we have a problem. If the Government really wants to float, if it does not want to sink, it must reduce its expenditure for it to survive. If it goes the way it is going, I do not know whether ut will reach the year 2000 because we it will have no managers---

ADJOURNMENT

Mr. Deputy Speaker: Order! Hon. Members, it is now time to interrupt the Business of the House. Therefore, the House stands adjourned until tomorrow, Wednesday 29th, April 1998, at 9.00 a.m.

The House rose at 6.30 p.m.