

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 14th June, 1995

The House met at 2.30 p.m

*[Mr. Speaker in the Chair]*

PRAYERS

## PAPERS LAID

The following Papers were laid on the Table:-

Estimates of Recurrent Expenditure Volumes I & II of 1995/96  
Development Estimates Volumes I & II of 1995/96

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

## NOTICES OF MOTIONS

ESTABLISHMENT OF  
IMPLEMENTATION COMMITTEE

**Mr. Shikuku:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, in view of the fact that this House cherishes the principles of good governance, transparency and accountability and noting that the Government of Kenya is a Parliamentary System of Government founded on the rule of law; this House resolves to establish a Standing Committee to be designated Implementation Committee to scrutinize the decisions of the House and the undertakings given by the Government on the Floor of the House and report on:

- (a) whether or not such decisions and undertakings have been implemented; and,
  - (b) where implemented,
  - (i) the extent to which they have been implemented; and,
  - (ii) whether such implementation has taken place within the minimum time necessary for the purpose; and,
- further this House resolves that the deliberations of all its Select Committees be made public and that the necessary amendments to the Standing Orders be effected forthwith.

## RESTRUCTURING OF DDCs

**Mr. Mcharo:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, in view of the important role played by the District Development Committees (DDCs) in discussing, identifying, recommending and implementing development projects for every district in the country, and conscious of the need to enhance and appreciate the status of these DDCs; this House calls upon the Government to:-

- (a) Remit annually all the development funds due to all districts direct to the respective DDC for projects implementation;
- (b) Stop the practice of returning to the Treasury unspent development funds at the end of the financial year;
- (c) Appoint a respectable person from the district to be the chairman of the DDC while the District Commissioner serves as the chief executive officer of the DDC; and,
- (d) Appoint at least two persons from each division to serve as members of the DDC along with the sitting Members of Parliament and the chairmen of the local authorities.

**Mr. Speaker:** Let us have Mr. Icharia give his Notice of Motion.

**Mr. Mwaaura:** Mr. Speaker, Sir, Mr. Icharia, my twin brother, is seated down.

**Mr. Speaker:** Mr. Mwaaura!

*(Laughter)*

#### REPEAL OF NSSF ACT

**Mr. Mwaaura:** Mr. Speaker, Sir, I beg to give notice of the following:-

THAT, this House, recognising the economic difficulties that affects most Kenyan families, and considering the cost of living that has come about due to liberalization policy which has caused dramatic rise of most essential commodities such as food, education and medicine, this House urges the Government to carry out a comprehensive revision of section 20 of Cap 258. in order to allow any person who retires after age 40 years after serving over 20 years to be paid his or her NSSF benefit instead of having to wait until one reaches the age of 55 years.

#### CONTRIBUTION BY KENYA WILDLIFE SERVICE

**Prof Mzee:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, since the Kenya Wildlife Service collects large revenue from tourists staying at Coast hotels in form of fees for visiting the Marine Park and bed occupancy levy; this House urges the Kenya Wildlife Service to make available 40 per cent of this revenue for the improvement of education and vocational training in the regions of collection.

*(Several hon. Members consulted loudly)*

**Mr. Speaker:** Order! We are even unable to hear the terms of the Motion because hon. Members are consulting rather loudly. Could you do that in silence? Mr. Murungi, give notice of your Motion.

#### LAW TO REGULATE HARAMBEEES

**Mr. Murungi:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, given the fact that:-

- (i) harambees play a crucial role in the socio-economic development of this country;
- (ii) in the recent years harambees have been much politicised and abused by unscrupulous individuals; this House urges the Government to introduce a comprehensive law
  - (a) specifying the purposes for which harambees may be held;
  - (b) decentralising the licensing of harambees; and,
  - (c) regulating the collection, utilization and auditing of harambee funds.

#### ORAL ANSWERS TO QUESTIONS

*Question No.096*

#### ESTABLISHMENT OF DDCs

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

- (a) what law, if any, establishes the District Development Committees, the Sub-District Development Committees, Locational Development Committees, and defines their composition and functions; and,
- (b) if there is no such law, when the same will be enacted.

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

(a) District Development Committees, Divisional Development Committees and Locational Development Committees are not established by law. These Committees were established by the Government for planning purposes and for helping the Ministries at the local level between 1966 and 1970. These Committees were strengthened in subsequent plans.

- (b) We do not need a law to support the functions or the organization of a Ministry. It is, therefore, not the

intention of Government to enact a law in support of these Committees.

The composition of the District Development Committee is District Commissioner, District Development Officer, Departmental Heads of all ministries, Members of Parliament, District Party Chairmen, if they are Members of Parliament, Chairmen of local authorities, Clerks of local authorities, Chairmen of Divisional Development Committees, representatives of development-related parastatals, invited representatives of Non-Governmental development organizations and related organizations, self-help groups and representatives of women organizations.

**Mr. Murungi:** Mr. Speaker, Sir, that answer is very unfortunate. This is because there is a lot of ambiguity and uncertainty regarding the composition and legal powers regarding the district development committees (DDCs), sub-district development committees (sub-DDCs) and locational development committees (LDCs). I have an example. In our last DDC meeting in Meru we demanded that the District Co-operative Development Officer brought to the DDC a report which had been prepared by the Commissioner of Co-operatives on the Meru District Co-operative Union (MDCU) but the officer refused to do so on the grounds that this report was confidential and without mentioning that he had read the report to farmers in a public meeting a few weeks before. So, it is not true to say that we do not need a law for this important organ. We are urging the Government to move away from establishing vital organs through circulars and establish them through a law. Now, given the elaboration I have given, can the Minister now reconsider his position and tell the House whether or not he is going to introduce a law on the DDCs?

**Mr. Kalweo:** Mr. Speaker, Sir, we are not going to introduce a law because this organ acts according to the Ministry's requirements within a given area. In the case of the co-operative officer, who said that the report was confidential, I wish the hon. Member had raised a question substantively on that because I would have come here prepared to answer it. Further, I think when a report is not confidential it should be released.

**Mr. Maore:** Mr. Speaker, Sir, given the role that the Government has been assigning the DDCs and sub-DDCs and also the statement from the Minister, that they are not in a hurry to have legislation to regulate these organs, is the Minister in a position to confirm or deny that this kind of administrative policy is actually an excuse to do a lot of underdevelopment in very many areas? For example, on 17.2.95 I attended a DDC meeting and none of the nine District Officers in Nyambene District submitted any minutes of a meeting for the previous four months!

**Mr. Kalweo:** Mr. Speaker, Sir, individuals have their weaknesses. This is something which can happen in any country. I think the hon. Member could have aired those points in the DDC meeting which he attended. Again, the aim of DDCs is to give local people audience and a chance to discuss their requirements at the local level. So, I urge the hon. Members to be more functional in the DDCs where they can raise all these points.

**Mr. Magwaga:** Mr. Speaker, Sir, could the Minister include, in the composition of the DDCs, the councillors who represent the local people, in place of the many heads of departments? Could he also reconsider the chairmanship of the District Commissioners (DCs) in the DDCs? Some time back, KANU Annual Delegates Conference wanted DCs to be left out of chairmanship of DDCs but we do not know what happened later!

**Mr. Kalweo:** Mr. Speaker, Sir, I said that chairmen of local authorities are members of the DDCs.

**Mr. Anyona:** Mr. Speaker, Sir, could the Minister tell the House whether or not the DDCs handle and control any expenditure of public funds? If they so do, under what law do they do that?

**Mr. Kalweo:** Mr. Speaker, Sir, in the real sense they do not do that. Expenditure is controlled by parent Ministries.

#### *Question No.159*

#### MOBILE BANKING FACILITIES

**Col. Kiluta** asked the Minister for Finance:-

- (a) whether he is aware that there are no banking facilities in the whole of Masinga Constituency; and
- (b) whether considering the distance between Masinga and the nearest banking facilities at Embu and Matuu he could introduce mobile banking facilities at Masinga, Kivaa, Kithyoko and Ekalakala Markets.

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

- (a) Yes, I am aware that there no banking facilities in the whole of Masinga Constituency.
- (b) In my reply to a similar Question last year I stated that the Kenya Commercial Bank (KCB), which is a Government bank, would establish a branch in Masinga Constituency as soon as the area justifies the establishment of such a branch. Similarly the National Bank of Kenya (NBK), also a Government bank, will provide urgent services to

Masinga Town as soon as the bank is able to resume its expansion programme. To date the position has not changed as Masinga area is still not commercially viable for banking services.

**Col. Kiluta:** Mr. Speaker, Sir, you realise, this is the second time I am asking this Question and the answer is the same. What the Assistant Minister is telling this House is that Masinga is no longer a factor and nobody is bothered about the development of Masinga. This answer is similar to other answers I have got on water, roads and electricity. The Assistant Minister should come out clearly and say that Masinga is no longer wanted by this Government and that we should do away with the Government. I cannot sit in this House and receive the same answer day in, day out from every Minister. Even if Masinga is not a factor you will still need us in 1997. So, tell the House whether you will give us banking facilities or tell us to walk out of the Government!

**Mr. Koech:** Mr. Speaker, Sir, there is no need to be over-excited over a fact. The expansion of banks depends very much on viability. If we set up a bank branch in Masinga we shall be making losses of not less than Kshs5 million annually. We have done the feasibility study and decided that banks cannot operate in areas where they will make losses. If we do this, this same House will say that we are ruining a State corporation. In the case of Masinga, we have carried out a feasibility study and found that if we establish a bank branch there now, we shall be making losses to the tune of Kshs5 million every year.

**Mr. Nthenge:** On a point of order, Mr. Speaker, Sir. The Assistant Minister was not asked to establish a bank in Masinga but to provide a mobile bank. He is not answering the Question he was asked because he is talking about establishing a bank in Masinga!

**Mr. Koech:** Mr. Speaker, Sir, the operation of any bank, whether mobile or not, requires money. We need to make money there. The possibility of having a mobile bank in the areas which the hon. Member is talking about could be considered if we discover that the position has changed. It does not mean that Masinga has been completely forgotten. We are all the time getting the necessary information and reviewing the situation.

**Mr. Ndilinge:** Mr. Speaker, Sir, before the Assistant Minister starts to misinform this House, could he agree or deny that when the hon. Member for Masinga asked a similar Question, he promised that a mobile unit would to start work immediately?

**Mr. Koech:** Mr. Speaker, Sir, this position was only last year, and very little change has occurred, so far. There is nothing we can do at the moment. However, I am saying that we have done a very comprehensive study and my previous answer was a result of that study.

**Col. Kiluta:** Mr. Speaker, Sir, this year alone, three traders from Masinga have been robbed while taking money to the Kenya Commercial Bank in Matuu. These three traders have lost more than a million shillings and yet this Assistant Minister has got the guts to stand here and mislead this House by saying that we do not generate enough capital to warrant a bank. If we do not warrant a bank, then we do not warrant being here in this Government, and Masinga does not need to be represented here! Let him come out clearly and say we are no longer wanted by the KANU Government and we will walk out!

*(Applause)*

**Mr. Koech:** Mr. Speaker, Sir, I do not think there is any question for me to answer but, we are very much concerned about Masinga, just as much as the hon. Member is concerned. I believe that in future, conditions allowing, Masinga will get a bank.

**Mr. Speaker:** Very well! Mr. Gatabaki!

*Question No.407*

#### MANAGEMENT OF KTDA

**Mr. Gatabaki** asked the Minister for Agriculture, Livestock Development and Marketing:-

- (a) in view of the widespread complaints of irregularities, mismanagement and outright embezzlement of farmers' money by the Kenya Tea Development Authority (KTDA), which have resulted into non-payment to tea farmers for tea deliveries for the month of January 1995, what action he is taking to safeguard the farmers' interests; and,
- (b) if the Authority is in danger of insolvency as alleged by farmers' representatives through questionable financial deals and improprieties, what action he is taking to ensure that the Authority does not crumble.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi):** Mr.

Speaker, Sir, I beg to reply.

(a) I am not aware of any irregularity, mismanagement or embezzlement of funds by KTDA, as no complaints have been made by the elected farmers' representatives in the Buying Centre Committees, Leaf Base Committees, Zonal Committees or the directors of the tea factory companies. However, wild and unsubstantiated allegations have been made by persons who are not members of these specific committees. While it is true that the monthly advance payments for January this year were late by a week, the small holder tea farmers were all paid for their crop by 10th February, 1995. Thereafter, the tea farmers have been paid at the end of each month without delay. This single incident should not provide reason for anyone to engage in wild allegations of corruption and fraud against the Board and Management of the KTDA.

(b) It is important for the hon. Member to note that the KTDA is regularly audited by the Auditor-General(Corporations), and if the Authority is in danger of insolvency, this would have been observed. However, not a single issue among the allegations has been commented upon by the Auditor-General(Corporations), either in the latest audited accounts or in the routine audit inspections.

**Dr. Otieno-Kopiyo:** On a point of order, Assistant Minister stands here and says none of these matters has been raised by the Auditor-General(Corporations). In front of us is the Report of the Public Investments Committee, dating from 1979 and there are at least seven queries regarding investment of funds or such issues from the KTDA. Why is he doing that to the House when he knows that we have the document?

**Mr. Speaker:** Why did you not wait and put it to him?

**Dr. Otieno-Kopiyo:** It is because he is going on and on and he is doing it in the face of the Report that is before you, Mr. Speaker.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Dr. Misoi):** Mr. Speaker, Sir, I am still answering the Question.

Given this position, and in exercise of the Ministry's supervisory role over the Authority in accordance with the normal provisions and procedures, I see no need to take any special measures in this particular issue.

Mr. Speaker, Sir, let me also say that the delay in January payments was caused by a normal but temporary cash flow situation which was rectified by the management with the co-operation of the Authority's bankers. The KTDA did not, however, borrow money from any bank in order to settle the January payments. This was paid out of the proceeds of the sales of picked tea.

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead the House by saying that he is not aware of any irregularities in KTDA when, in fact, he ought to know that, that is not true? For instance, one irregularity that I can bring to his attention is the fact that there have been thefts of tea from at least, three factories in Kisii and Nyamira. These are Nyankaba, Nyansiongo and Kebirigu. Tea has disappeared into thin air, and yet the Assistant Minister says he is not aware of irregularities.

**Dr. Misoi:** Mr. Speaker, Sir, if there have been any cases of theft of tea as reported by the hon. Member, then the matter should have been reported to the appropriate authorities for investigation and for action to be taken. This should have been brought to the attention of the officers concerned.

**Mr. Gatabaki:** Mr. Speaker, Sir, today is a very sad day because of the answer given by the Assistant Minister. I would have been very happy if the hon. Minister was here to answer the Question. We are talking about the most important cash crop in Kenya. Coffee, this year, drew about Kshs20 billion to the Kenya economy. We are talking about massive destruction of a very important foreign exchange earner, and yet the Government denies that there are irregularities. I come from the Central Region which constitutes about 90 per cent---

**Mr. Speaker:** Order, Mr. Gatabaki! This is all very interesting, but if you really want to go to the details of the KTDA, which you think is ailing, the best thing to do is to move a Motion. For now, it is Questions. Ask your question!

**Mr. Gatabaki:** The question is as follows: Given reports in our newspapers about irregularity, given that even the Managing Director who has been appointed by the Minister concerned has been involved in gross irregularities, given that tea farmers constitute one of the widest segment of employment for Kenyans, is it in order for this Assistant Minister to deny that there are no irregularities in KTDA and, given that---

**Mr. Speaker:** Order! This is all very interesting, but if you really want to go to the details of a tea factory, which you think is ailing, the best thing to do is to move a Motion. For now, we are dealing with factual Questions. Proceed!

**Mr. Gatabaki:** Mr. Speaker, Sir, the question here is: Considering the reports appearing in our newspapers about irregularities; given that even the Managing Director who has been appointed by the Minister concerned has been involved in gross irregularities, given that tea farmers constitute one of the largest segment of employment for Kenyans, is it in order for this Assistant Minister to deny that irregularities in KTDA?

**Mr. Speaker:** Order! Order! Mr. Gatabaki, given the fact that I do not have all the time for you, I may be inclined to go to another Question if you want to have the word "given" a hundred times recorded. Either you ask your question or I move to the next Question because I do not have time.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. I come from a tea growing region where people are weeping because of debts from KTDA. Is the Assistant Minister in order to mislead the House by saying there are no gross irregularities when we know that the tea, coffee, sugar and wheat industries are full of irregularities?

**Dr. Misoi:** Mr. Speaker, Sir, I have answered the Question as adequately as possible. The other questions which he has put across are outside this Question.

**Mr. Kibaki:** Mr. Speaker, Sir, may I ask whether the Assistant Minister for Agriculture, Livestock Development and Marketing has read the Report of the Public Investments Committee? If he has read nothing else, has he read that Report? In all honesty, can he put his hand on his heart and say what he has just said now, or was he just saying so in order to please somebody else? The Report records the kind of things we are talking about. The theft that hon. Anyona is talking about has happened in my own constituency and the people who stole the money after being caught by the organisation and, in fact were only moved to other factories, but not sacked, nor prosecuted because they were in league with senior people in the whole organization. Have you read that Report?

**Dr. Misoi:** Mr. Speaker, Sir, I have answered the Question as asked and to that extent, I have given the correct answer.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. The hon. Dr. Misoi is playing around with this Question on tea. The question that hon. Kibaki has put to him is whether he has read the Report in the PIC Report and he says that he has answered the question. Can he say whether he has read this Report in order to answer the question? Umesoma hii Ripoti?

**Dr. Misoi:** Mr. Speaker, Sir, that a separate Question.

**Mr. Murungi:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister really in order to mislead this House that there are no irregularities in Kenya Tea Development Authority (KTDA) when he knows that the Financial Controller, Mr. Mbindyo, has been sacked as a result of the exposure of massive fraud and irregularities, by the Parliamentary Coffee and Tea Association?

**Dr. Misoi:** Mr. Speaker Sir, if that one has happened, then the Auditor-General (Corporations) will take that one into account.

*Question No.038*

UPGRADING OF AHERO URBAN COUNCIL

**Mr. Karan** asked the Minister for Local Government when Ahero Urban Council will be upgraded to municipality Status.

**The Assistant Minister for Local Government (Mr. Walji):** Mr. Speaker, Sir, I beg to reply.

(a) Ahero Urban Council is under Kisumu County Council. When Kisumu County Council feels that Ahero Urban Council can be self-reliant, they can pay their salaries to the staff when it is upgraded to Town Council and through the full Council meeting, if a resolution is passed and sent to us, we will consider upgrading the Ahero Urban Council.

The Ahero Urban Council first, will be upgraded to Town Council before being elevated to a Municipal Council.

**Mr. Karan:** Mr. Speaker, Sir, I thank the Assistant Minister for that reply. Arising from the answers we received in this House this morning, you will agree that there are some silent conditions for bringing development to the people. One of them being agitation. Could the Assistant Minister confirm to this House that this is the only requirement and that there are no other silent conditions which will come up when this letter required is in office?

**Mr. Walji:** Mr. Speaker, Sir, Ahero is situated not very far from where I was born and I would suggest to the hon. Member not to ever think that there are any hidden agendas around. The only requirement is that the Kisumu County Council has to submit in the report that it can stand on its own feet, and we will upgrade the Urban Council to Town Council.

*Question No.068*

PAYMENT OF THE LATE MANGAO'S DUES

**Mr. Ndilinge** asked the Minister for Foreign Affairs and International Co-operation why the next-of-kin of the late Mr. Michael Manthi Mangao, P/No.101230, have not been paid the benefits due to them, and when they will be paid.

**The Assistant Minister for Foreign Affairs and International Co-operation** (Dr. Manduku): Mr. Speaker, Sir, I beg to reply.

The late Mr. Michael Manthi Mangao died on 11th June, 1993. Dependants Pension of KShs.33,580.40 was paid through Standard Chartered Bank, Harambee Avenue, Nairobi on 11th November, 1994.

Death gratuity is ready for payment, but will be paid on production of a certified copy of the widow's (Mrs. Mary Mueni Michael) identity card. Widows and Children's Pension has been finalized and payment is expected from the Ministry of Finance.

Thank you.

**Mr. Ndilinge:** Mr. Speaker, Sir, that is a shocking reply to me. Mr. Manthi was serving this country in a neighbouring country and what I know more about him is that he disappeared and that is the information I was given by his wife. I do not know whether to call her a widow because we do not know whether he is dead or not.

**An hon. Member:** He is alive!

**Mr. Ndilinge:** Mr. Speaker, Sir, Mr. Manthi was in the Ministry of Agriculture, Livestock Development and Marketing and seconded to the Ministry of Foreign Affairs and International Co-operation. All I know about Mr. Manthi is that he got lost. Could you clarify to the House whether Mr. Manthi died and whether his body was brought back to Kenya for burial and where he was buried?

**Dr. Manduku:** Mr. Speaker, Sir, Mr. Manthi was our staff in Kigali and he got sick, was hospitalised in a hospital in Kigali and died. The hon. Member knows it very well because the information is with his relatives.

**Mr. Ndilinge:** Mr. Speaker, Sir, just a simple question could the House be told whether the dead body was brought back to Kenya or was it buried in Kigali?

**Mr. Speaker:** Mr. Ndilinge, you put the Question yourself and you are referring to the late Michael Manthi. I cannot understand how else a late person can be except being dead!

**Mr. Ndilinge:** Mr. Speaker, Sir, arising from the reply, could the Assistant Minister tell the House when this man was buried?

**Mr. Ndilinge:** Arising from that reply by the Assistant Minister, could he tell this House when this money is going to be paid to Mr. Manthi's wife? I do not want to refer to her as a widow because we do not know whether her husband is dead or still alive.

**Dr. Manduku:** Mr. Speaker, Sir, the hon. Member should be more attentive. Dependants pension of Kshs33,580.40 was paid through Standard Chartered Bank, Harambee Avenue, Nairobi, on 11th November, 1994.

**Mr. Nthenge:** Mr. Speaker, Sir, if that money was paid, who received it because the wife has not received it?

**Dr. Manduku:** Mr. Speaker, Sir, there are several payments that are due to this lady. She has received the first payment and for her to get the second payment, she will be required to produce a certified identity card. There is also a third payment which is due to her from the Ministry of Finance. She has already received the first payment.

#### *Question No.421*

#### EQUIPPING OF HEALTH CENTRES

**Mr. Mutahi** asked the Minister for Health when the Ministry will equip and staff the maternity wards in Karaba, Thangathi, Gumba and Njoki health centres, in order to enable these centres offer efficient medical services to the residents.

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

The Ministry of Health will equip and staff the maternity units for Karaba, Thangathi, Gumba and Njoki dispensaries when funds are made available from the Treasury.

The four health facilities are proposed for expansion during the current Development Plan. They are among the priority projects for Nyeri District. All these facilities are currently operating as dispensaries and additional facilities are required to enable them start operating as health centres. These will include staff houses, service blocks (kitchen and laundry), equipment and improvement of water supply. Extra staff will be deployed to these centres when the current status changes after upgrading.

**Mr. Mutahi:** Mr. Speaker, Sir, when I asked a similar Question in 1993, I was given the same answer by the Assistant Minister. This answer "when the funds are available" is quite nagging. The answer given today is that the

four facilities are due for expansion during the current Development Plan. Could the Assistant Minister tell this House how much, in form of money and equipment, the Ministry has recommended to the Treasury for these four dispensaries during the current financial year?

**Mr. Criticos:** Mr. Speaker, Sir, I cannot give the hon. Member that information because we are currently working on the projection figures of the cost of these four dispensaries.

**Mr. Mutahi:** Mr. Speaker, Sir, the Assistant Minister has just told the House that the four health facilities are proposed for expansion during the current Development Plan. What is the Ministry planning to do? What proposals has the Ministry forwarded to the Treasury?

**Mr. Criticos:** Mr. Speaker, Sir, with regard to Thangathi, additional staff houses, a laundry and a kitchen have been constructed. There is also a reliable water supply. Gumba is operating as a dispensary and the proposed in-patient building is to be completed---

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

**Mr. Speaker:** We are running out of time!

**Mr. Mutahi:** It is an important point of order! The Assistant Minister is telling us the proposals he has made to the Treasury. I thought that these proposals would be translated into cash. That was my first supplementary question. The proposals the hon. Assistant Minister is reading to the House must be translated into money.

**Mr. Speaker:** That is not a point of order, Mr. Mutahi!

*Question No.430*

MEMBERSHIP OF HOSPITAL BOARD

**Mr. Icharia** asked the Minister for Health:-

(a) what is the membership of Kiambu District Hospital Board;

(b) how much money was allocated and how much was actually spent by the Board in 1990, 1991, 1992, 1993 and 1994, both for recurrent and development expenditures, and how the money was spent; and

(c) for how long the hospital laundry has been out of order and when it will be made operational.

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

(a) The current membership of the Kiambu District Health Management Board is composed of the following persons.

- (1) Mr. T. Methu (Chairman)
- (2) Kiambu District Commissioner (Member)
- (3) Chairman, Kiambu County Council (Member)
- (4) Dr. Gichinga - Private Practitioner (Member)
- (5) Mr. Kiondo - Representing NGOs (Member)
- (6) Mr. G. Hiuhu - Representing Community (Member)
- (7) Mr. J. Gachimu - Representing Community (Member)
- (8) Dr. J. Karienyne - MOH (Secretary)
- (9) District Public Health Officer, Kiambu, (Member)

(b) The details of the recurrent and development allocations and expenditure in 1990, 1991, 1992, 1993 and 1994 are as follows:-

1990	-	Kshs4,885,000
1991	-	Kshs1,050,000
1992	-	Kshs1,960,000
1993	-	Kshs3,000,000
1994	-	Kshs8,000,000.

The allocation for each year has been spent. The allocations for recurrent expenditure for the same years are as follows:-

1990	-	Kshs3,357,540
1991	-	Kshs3,393,560
1992	-	Kshs4,435,060
1993	-	Kshs4,255,700
1994	-	Kshs5,196,000



(c) The hospital laundry was gutted down by fire in October, 1992. The construction of the new laundry was completed in March, 1994. The laundry machines have now been bought and the laundry is presently in operation.

**Mr. Icharia:** Mr. Speaker, Sir, the Assistant Minister is misleading this House. First of all, I have received two answers to the same Question. The figures he has quoted are actually the total amounts allocated to all the hospitals in Kiambu and also the health centres. My Question was based on Kiambu District Hospital alone. I note also that the Assistant Minister has evaded the question on how the money was spent. I wanted to know how this money was spent because it is very hard to believe that so much money has been allocated to Kiambu District Hospital.

**Mr. Speaker:** Mr. Icharia, is it a question or a contribution?

**Mr. Icharia:** Mr. Speaker, Sir, it is a question! I am building my question. When six Members of Parliament visited the Kiambu District Hospital, we found that the hospital did not have blankets, there was no linen, patients had no uniforms, no food and no drugs. How was this money spent? I would also like to challenge the Minister---

**Mr. Speaker:** Order! Order! I think you are taking too much time!

**Mr. Icharia:** How was the money spent?

**Mr. Speaker:** Order! Order! I think hon. Members must be concise in their questions. If a Member, who has put a question is going to take five minutes in what is variously described as building the question, then we will have no time to participate in that Question. I suppose the hon. Members can make their views known in Motions but questions must be precise. Could you answer?

**Mr. Criticos:** Mr. Speaker, Sir, I had told the hon. Member this morning that I was not happy with my reply to this afternoon's Question and I was going to change it. So, I think the hon. Member is a bit unfair to say that he has received two answers to the Question. Furthermore, I would like to reply to the second issue which is touching on how the money was spent. Unfortunately it is a lengthy one, if the House will permit, it is starting from Tigoni Hospital---

**Mr. Speaker:** Would you like to Table it?

**Mr. Criticos:** I would like to Table it because it is two pages.

*(Mr. Criticos laid the document on the Table)*

**Mr. Speaker:** Very well. Last Question Mr. Ndicho!

**Mr. Ndicho:** Thank you very much Mr. Speaker, Sir. We are getting very concerned about the way the Ministers in this Government are answering our Questions. According to the answer given to the hon. Member, over Kshs 20 million was spent from 1990 to 1994. If you go to Kiambu District Hospital, it can clearly show you that the last time any amount of money was sent there was about ten years ago. The Question is: What did over Kshs20 million do in Kiambu District Hospital? Could the Assistant Minister tell this House just one item which was bought with this money?

**Mr. Criticos:** Mr. Speaker, Sir, I have just Tabled before the House every single expenditure that we have incurred in Kiambu District Hospital.

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

**Mr. Speaker:** What is it?

**Mr. Icharia:** Mr. Speaker, Sir, is the Assistant Minister in order to avoid giving an explanation as to how the money was spent? Could I invite him to visit the hospital, with me any day any time, so that he can show me what has actually been done at Kiambu District Hospital?

**An hon. Member:** From Kshs20 million!

**Mr. Icharia:** It is only 15 kilometres from Nairobi! I invite him to go there with me.

**Mr. Speaker:** Order! Mr. Icharia! Order! Order! Would you like to take the invitation?

**Mr. Criticos:** Mr. Speaker, Sir, I will sent my technical people. If the hon. Member would like to discuss this with our Ministry and bring his grievances there, that is fine with us. But with us we are very busy in the Ministry, and, unfortunately, I cannot go.

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

**Mr. Speaker:** Order! Order! Mr. Sankori!

*Question No.418*

PROVISION OF ELECTRICITY

**Mr. Sankori** asked the Minister for Energy:-

- (a) when the Ministry will provide power services to Ilbissil, Ngataek, Mile 9 and Namanga Town; and
- (b) when the Ministry will instal street lights in the Majengo area of Kajiado Town.

**The Assistant Minister for Energy** (Mr. Nang'ole): Mr. Speaker Sir, I beg to reply:-

(a) My Ministry has already completed the basic Rural Electrification Project by finally providing a three-phase supply from Athi River to Kajiado Town at a total cost of Kshs6,481,000.

Appropriate works to provide power services to Ilbissil, Ngataek, Mile 9, and Namanga Town will be undertaken when adequate funds become available and subject to the District Development Committee (DDC) prioritization.

(b) The responsibility of financing and installation of street lights in the Majengo area of Kajiado Town belongs to the Kajiado Town Council. Kenya Power and Lighting Company would undertake the job any time if the Council chooses to offer the contract to the Company.

**Mr. Sankori:** Mr. Speaker, Sir, it is unfortunate that the Assistant Minister chooses to answer part (a) on a work that was done ten years ago, that is in Kajiado Town. I never asked about Kajiado Town. When they say, "adequate funds become available", now, I am asking a Question that needs a specific answer. This is a very vague answer. I have asked about Namanga which is a very important town next to the border with Tanzania. On the other side of Tanzania, there are lights but on the Kenya side, it is a ghost town. Could the Assistant Minister tell me, specifically, when are they going to provide lights between Kajiado and Namanga Town? I do not think he even knows the geography of that area.

**Mr. Nang'ole:** Neither do I need to know the geography, if he is so doubtful that I do not know, which I know, I know. But, Mr. Speaker, Sir, we have done a feasibility study on this project and it needs quite a lot of money. It is about 85 kilometres, from where we are going to have the electricity and it needs about Kshs53 million which is not a little money and we do not have the money.

**Dr. Lwali-Oyondi:** Mr. Speaker, Sir, I have been to Namanga Town and that was a very big embarrassment; that on our side, it was dark and I happen to have reached there at night with one of the Members here, and on the Tanzania side there was light. Now, could he consider - the border is nothing other than just a line - taking a wire from Tanzania side and we pay them for the electricity they provide to us?

**Mr. Nang'ole:** Mr. Speaker, Sir, I hope the hon. Member understands really what he is saying. He is connecting us to Tanzania while we are in Kenya which is not possible.

**Mr. Sankori:** Mr. Speaker, Sir, we are using power from Uganda. Why can we not use power from Tanzania with an agreement with the two companies? You only need to play your cards well.

**Mr. Nang'ole:** Mr. Speaker, Sir, the hon. Member knows how much it involves to have such a connection. It is not just a matter of pulling a wire the way the hon. Member is trying to put it.

*Question No.116*

ALL-WEATHER STANDARD FOR ROADS

**Mr. Michuki** asked the Minister for Public Works and Housing:-

- (a) if he is aware that there is no all-weather road in the newly created Rwathia Location; and
- (b) when the following roads in Rwathia Location will be murramed to all-weather standards:- Mihuti-Kenya Njeru-Nyarwara-Kihoya-Nyagatugu-Wanjerere; Kenya Njeru-Rwathia-Kiiri-ini-Nyamakima; and Rwathia-Kiawambogo-Wanjerere.

**The Assistant Minister for Public Works and Housing** (Mr. Mwamzandi): Mr. Speaker, Sir, I beg to give the following reply.

(a) I am aware that there is no all-weather road in the newly-created Rwathia Location, but the classified roads are regularly maintained to keep them motorable.

**Mr. Kamuyu:** On a point of order, Mr. Speaker, Sir. The hon. Assistant Minister is just mumbling his answer and we cannot hear what he is saying. Could he make himself audible enough?

**Mr. Speaker:** Order, Mr. Kamuyu! First of all, you are out of order to allege that. Nobody mumbles here!

**Mr. Kamuyu:** Except one person!

**Mr. Speaker:** Order, Mr. Kamuyu! You are again out of order! I think the problem is that there is too much consultation. Could hon. Members, please, pay attention to the questions being raised and the answers being

given on the Floor of the House?

**The Assistant Minister for Public Works and Housing** (Mr. Mwamzandi): Mr. Speaker, Sir, I beg to give the following reply.

(a) In future, the exercise will be continued.

(b) The roads in question have not been approved by the local DDC for murraming. Therefore, there no immediate plans to murram them.

**Mr. Michuki:** Mr. Speaker, Sir, the roads in question have severally been considered by the Murang'a DDC, and for more than ten years, they have been recommended for financing. Is the hon. Assistant Minister aware that Rwathia area supplies tea to two factories, and that is a very major consideration in economic terms, both from the point of view of finding money for roads and also financing other services in this country? Is he aware of that fact alone?

**Mr. Mwamzandi:** Mr. Speaker, Sir, since Rwathia is a tea-producing area, that is why the Ministry regularly maintains all the roads in the area to keep them motorable. I said that.

**Mr. Michuki:** Mr. Speaker, Sir, the hon. Assistant Minister is misleading the House by alleging that all these roads are regularly maintained. For example, the road from Rwathia Market to Kihoya is impassable. The road from Kenya Njeru, particularly from Nyarwara Factory to Kihoya is also impassable. Is he not misleading the House when I am the Member with authority from that area to speak on all those roads?

**Mr. Mwamzandi:** Mr. Speaker, Sir, I am not sure whether the roads in question are impassable right now. But I know that they were all last graded in December, 1994. These roads are as follows:- Mihuti-Kenya Njeru-Nyarwara-Kihoya-Nyagatugu-Wanjerere. This is Road E543 and it is 14 kilometres long. Kenya Njeru-Rwathia-Kiiri-ini-Nyamakima, E545, five kilometres. The other one is Rwathia-Kiawambogo-Wanjerere, E543, eight kilometres. These roads have all been regularly maintained.

**Mr. Speaker:** We will move on to Mr. Muite's Question.

#### *Question No.176*

#### INTRODUCTION OF JURY SYSTEM

**Mr. Murungi**, on behalf of **Mr. Muite**, asked the Attorney-General in view of the fact that the jury system enhances justice, as it supplements the efforts of the judges and it is a practice that is commonly used in other jurisdictions throughout the world, what specific measures he is taking to introduce the said system in Kenya.

**The Attorney-General** (Mr. Wako): Mr. Speaker, Sir, I beg to reply.

The merits and demerits of the jury system, and if it is to be re-introduced in Kenya how it is to be effected or implemented and to which offenses it is to apply, is under active consideration by the Task Force on the Reform of Penal Laws and Procedures whose recommendations on this aspect are expected soon.

**Mr. Wamae:** Mr. Speaker, Sir, is the hon. Attorney-General not aware that the jury system will prevent the individual officers of the Judiciary from being corrupt because there are more people involved? Therefore, as a matter of urgency, it should be re-introduced in this country. Is he aware of that?

**Mr. Wako:** Of course, Mr. Speaker, Sir, the advantages of the jury system are that ordinary persons are involved in the administration of justice. It has its own positive and negative aspects as well, like any other system. That is why this Task Force has been mandated to look into it very carefully and see how it can be applied in Kenya to strengthen the criminal justice system. As I said, the report on this aspect is more or less finalised by the Task Force.

**Mr. Murungi:** Mr. Speaker, Sir, I wish to thank the Attorney-General for that answer, but I also wish to remind him that, in fact, we had the jury system in this country during the colonial period which was reserved for the white people only. But the rough and ready justice system which did not use the jury was reserved for the natives. So, we are asking the Attorney-General to correct this colonial anomaly by introducing the jury system for all Kenyans.

*(Applause)*

So, my question is, given the importance of this Question, especially in political trials, is the Attorney-General not misleading the House by saying that he is waiting for the recommendations of the Task Force on Reform of Penal Laws and Procedures when we have been informed that this particular Task Force has already been disbanded?

**Mr. Wako:** Mr. Speaker, Sir, I believe that the issue of whether the Task Force has been disbanded or not was disposed of in this House when I made the position very, very clear. So, I am not misleading the House and I

expect to receive the report of the Task Force on Penal Laws and Reform on this aspect very soon. I am also aware that the---

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. Is it in order for the Attorney-General to keep on misleading the House when he knows very well that this Government is committed to having a Judiciary controlled by the Executive so as to frustrate the emergence of multipartyism?

*(Applause)*

**Mr. Wako:** Mr. Speaker, Sir, I did not understand or hear properly what the hon. Member has said. I do not think it was a question. But as for the issue raised earlier, it is true and that is why I said it should be re-introduced. The fact of the matter is that during the colonial time, it only used to apply to whites only, but that provision was abolished in 1963 vide Legal Notice No.33 of 1963. There are matters to be considered, like expenses involved, the delay in trials, how to select the jury and many other issues. Therefore, before this matter can be re-introduced we must think very carefully on how to go about it.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Speaker, Sir. I am asking the Attorney-General a question bearing in mind that he is the chief legal advisor to the Government. Is he in order to keep on referring us to the Task Force which must advise him in order for him to advise the Government? Does he mean that he is incompetent?

**Mr. Wako:** Mr. Speaker, Sir, part of the problem that we have in this country is that we tend to trivialise fairly complex issues. In order to render proper advice, it is important that on some of these issues an examination be made in depth to consider all the issues from all the angles before one can give proper advice.

**Mr. Speaker:** We will now move to the Question by Private Notice. Prof. Mzee!

**Hon. Members:** Mr. Ruhiu has not asked his Question!

**Mr. Speaker:** Order! I apologise to the hon. Member for Embakasi. Indeed, it is time for Mr. Ruhiu's Question.

**An hon. Member:** We cannot see him. Tell him to stand up!

**Mr. Ruhiu:** Mr. Speaker, Sir, before I ask my Question may I ask your permission to be bringing a stool to this Chamber so that I can stand on it? However,---

**Mr. Speaker:** Order, Mr. Ruhiu! If you attempted to bring a stool here you would be introducing an offensive weapon into the Chamber! Proceed!

*Question No.015*

CHARGES ON PUBLIC INCITEMENT

**Mr. Ruhiu** asked the Attorney-General:-

(a) how many Kenyans have been charged with public incitement since January, 1989 up to February, 1995; and,

(b) whether he can give their identities.

**The Attorney-General** (Mr. Wako): Mr. Speaker, Sir, I beg to reply.

(a) As to "a" 110 Kenyans have been charged with public incitement since January 1989 up to February 1995.

(b) As to "b" the cases were mostly in the Rift Valley and Western Provinces and I wish to table the document as it relates to the two provinces.

*(The Attorney-General laid the document on the Table)*

**Mr. Ruhiu:** Mr. Speaker, Sir, this is a very important Question indeed. It involves law on incitement and sedition. I think these are colonial and obsolete laws which should be amended and got rid of. This is because they were designed to oppress and harass members of the African community during the colonial times. Now that you are the Attorney-General and you are a famous lawyer in human rights---

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

**Mr. Ruhiu:** Could you please tell me---

**An hon. Member:** The Speaker is speaking.

**Mr. Speaker:** Order, Mr. Ruhiu! I just want to address this same issue maybe the fourth time in one

afternoon. When it is time for a Question the hon. Member is mandated by Standing Orders to ask concise and specific questions. If you want to debate an issue, there is another avenue in which you can vent it and that is by bringing in a Motion. Could we, from now on, stop turning Questions into Motions. [Mr. Speaker] Ask your question!

**Mr. Ruhiu:** Mr. Speaker, Sir, I was giving a preamble to my question.

**Mr. Speaker:** No preambles are allowed!

**Mr. Ruhiu:** Then I will ask a question to the Attorney-General who is a famous human rights lawyer.

**An hon. Member:** He used to be one but he is not any more!

**Mr. Ruhiu:** He used to be before he jumped into the bandwagon. Now, may I ask this question? If this list is with you, will you please table it before this House for hon. Members to have a look at it? If you have tabled it, can I ask you whether it consists over 95 per cent Members of the Opposition in various parties because they are the victims? Could you tell me whether they form 95 per cent and whether the names of people like hon. Kamuyu, hon. Icharia, hon. Shikuku, hon. Ndicho, hon. Mungai, hon. Mulusya, hon. Kamuiru Gitau and Prof. Anyang'-Nyong'o are there?

*(Applause)*

**Mr. Speaker:** Order! As I have said, you have got to be precise in your questions. If you want to participate in a Question you must give time for that Question to be asked by you and be answered by the Attorney-General. You must also give time to other hon. Members to ask questions but if you just want to participate alone, at the end of it then we will go to another Question. Hon. Wako, would you like to respond?

**Mr. Wako:** Mr. Speaker, Sir, according to the information I have received, about 110 persons have been charged with public incitement. The breakdown is as follows:- Ford-(K), 41 persons, KANU, 13 persons, Democratic Party, seven persons, Ford-(A), six persons and unknown parties, 43 persons.

**Hon. Members:** No! No!

**Mr. Mathenge:** Mr. Speaker, Sir, now that the Attorney-General has revealed that 100 people have been prosecuted in the Rift Valley and Western Province for public incitement, could he tell us how many senior politicians in Narok, Bomet and West Pokot have been taken to court for public incitement?

*(Applause)*

**Mr. Wako:** Mr. Speaker, Sir, you are either a politician or a Member of Parliament. I do not know who is a senior politician.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Is that Dr. Oburu? It is Dr. Kopiyo. You shifted from your sitting position? Proceed!

**Dr. Otieno-Kopiyo:** I did shift. Now that we know that hon. Members of the Opposition who make political statements are inciters, how is the Attorney-General going to describe hon. Members from KANU who incite the public every day and they are not taken to court given the fact that more than 60 per cent of the Opposition Members of Parliament are facing charges in court in one way or another for incitement?

**Mr. Wako:** Mr. Speaker, Sir, I do not agree that during that period any Member of Parliament has been charged, prosecuted and convicted of incitement.

**Mr. Speaker:** We will now move on to Questions by Private Notice.

**Hon. Members:** No! No!

**Mr. Speaker:** Order! Order! Question Time should have ended at 3.30 p.m.

**Mr. Ruhiu:** Mr. Speaker, Sir, Standing Orders---

**Mr. Speaker:** Order, Mr. Ruhiu! First of all, you have penalised the whole House by not asking concise questions. You should not be heard to complain. If you want to come to Equator - I was told in Law School - you must do so with clean hands. So, if you want to get an indulgence from the House, you must not also take unnecessary time in asking your questions.

*(Messrs. Kamuyu and Gitau stood up in their places)*

**Mr. Speaker:** Order! I have not heard anything for the last two days from Mr. Kairu. Let him ask the last question.

**Mr. Kairu:** Mr. Speaker, Sir, looking at the Question the way Mr. Ruhiu has put it, and the answer given by

the Attorney-General, hon. Ruhii has asked, in part "b", whether the Attorney-General could give the identities of those who have been charged. The Attorney-General has answered the Question according to the chargees party affiliation. How did he come to compile that list?

**Mr. Wako:** It is very easy. The hon. Member of Parliament had asked me to "identify" and in the identification you can do so by providing the list which I have and you always, as a Minister, get ready for any supplementary question that may be asked. Indeed, I was justified in coming to a reasonable conclusion that a supplementary question would be asked and, indeed, it was asked in this House and I was ready for it and I answered it.

**Prof. Mzee:** Mr. Speaker, before I ask my question I would like it to be noted that Ford(K) hon. Members lead in the list of arrests even though it has only 32 Members of Parliament!

**Mr. Speaker:** Order, Prof Mzee! Are you asking your Question?

### QUESTION BY PRIVATE NOTICE

#### GAYS CONFERENCE IN LAMU

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

(a) Is the Minister aware that one of the foreign nationals, a Mr. P. Waiver, from the United States of America was expelled by the Government this year because he was organizing an international conference for homosexuals in Lamu, is back in Lamu?

(b) Is he further aware that his presence in Lamu can lead to riots?

(c) Could the Minister consider expelling him again, since homosexuality is prohibited under our country's law and African tradition?

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

(a) I am aware that Mr. Paul Waiver is back in the country after further investigations of allegations of his involvement in homosexual activities exonerated him.

(b) I am not aware that there will be riots.

(c) Since Mr. Waiver has been exonerated from involvement in homosexual activities, the issue of expelling him does not arise.

**Prof. Mzee:** Mr. Speaker, Sir, I would like to state that this man was actually expelled from this country and then allowed to come back. Does the Minister mean to say that people are expelled from the country without investigations being carried out, just the way the Mr. Khalid Balala was expelled? Mr. Waiver was expelled from the country by none other than the Immigration Office and yet he is back in the country where his activities are the same! His aim and objective is to organise---

**Mr. Speaker:** Order, Prof. Mzee! From now on, any hon. Member who will not put his questions to the relevant Minister I will consider them to be irrelevant! So, can we all stick to the rules. Mr. Kalweo, would you like to respond?

**Mr. Kalweo:** Mr. Speaker, Sir, there were in the country three white foreigners, whose names were Messrs Barry Fannes, an Australian, Bon Assume, a Dutch and Paul Waiver, an American. All of them were found to be involving themselves in homosexual activities, and then expelled from the country. After the expulsion Mr. Waiver appealed for reconsideration of his case and, after further investigations, it was found that Mr. Waiver was not involved in homosexual activities. However, he came back as a visitor, and not as a resident, because of his outstanding involvement in problems regarding housing development in Lamu. But if he is found harassing other men he will be put on the first plane out of this country.

**Mr. Shidiye:** Mr. Speaker, Sir, is the Minister aware that homosexuality is the greatest contributor to the spread of the AIDS disease? If he is aware of the danger of homosexuality, could he consider expelling from the country this dangerous man? He is a liability to Kenyans and it would be dangerous to keep him in the country!

**Mr. Kalweo:** Mr. Speaker, Sir, I admit that any homosexual is a dangerous man. But you know we follow the law in this country. I said that if he is found messing around he will be put in the first plane out of this country.

**Mr. Wetangula:** Mr. Speaker, Sir, homosexuality and its consumption are an offence under Sections 62 and 63 as read together with Section 20 of the Penal Code. Recently, we were told of "Hong Kong European Nairobi Girls" and now we are being told of homosexuality in Lamu. Why was this American expelled from the country instead of being prosecuted because what he was doing was contrary to the law of this country?

**Mr. Kalweo:** Mr. Speaker, Sir, in this case Mr. Waiver was not found guilty of an offence after

investigations. This country follows the law and when anybody appeals for reconsideration of his case the appeal is allowed.

**Mr. Mak'Onyango:** Mr. Speaker, Sir, arising from the Minister's answer, that subsequent investigations revealed that Mr. Waiver was not an homosexual as originally alleged, what did the original investigations reveal? Before the Immigration people ordered this man out of the country there must have been investigations. What did those original investigations reveal?

**Mr. Kalweo:** Mr. Speaker, Sir, I do not know whether the hon. Member was attentive when I was giving my answer. There were three persons, two of whom were found to be involving themselves in this kind of activity. However, Mr. Waiver was not found to be doing so.

## POINTS OF ORDER

### MISREPORTING BY THE DAILY NATION

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

**Mr. Speaker:** Order! I only know of one person who sought my indulgence on a point a order, and that is Mr. Shikuku.

**Mr. Shikuku:** Jambo la nidhamu, Bw. Spika. Jana nilikuwa nikiongea kwa Kiswahili na kwa hivyo, ningetaka kusahihisha katika lugha hiyo hiyo makosa yaliyochapishwa na gazeti la *Daily Nation*, toleo la leo, 14.6.95, chini ya kichwa "Leakey looted KWS - Shikuku tells the House" gazeti hili limesema,

"Butere FORD(A) MP, Martin Shikuku, yesterday told Parliament that former Kenya Wildlife Service Director, Richard Leakey was a "big-time" thief who knew nothing about politics."

Kwa kawaida, mimi sikanushi ninayosema, lakini ukweli ni kwamba sikusema yaliyoandikwa hapa. Tena waandishi wa gazeti hili wenyewe wameyatia maneno "big-time" katika inverted commas. Mimi sikuyasema maneno hayo katika Bunge hili. Pengine Kiswahili changu si kizuri, lakini yale niliyoyasema yako katika HANSARD ya jana ambayo ninayo hapa na ambayo inasema hivi:-

"Tumeambiwa hapa sababu za NSSF, Kenya Broadcasting Corporation na Kenya Willdlife Service kutokaguliwa. Unaona vile wizi unapangwa? Wengine wanatuambia kwamba hatuwezi kusema habari za wizi na wizi ndio huu! Kama pesa hazikaguliwi unaweza kusema kwamba haziibwi? Wale walioleta wakaguzi walijua kwamba pesa zinaibwa na ndipo wakazikagua ili wapate kujua kama zimeibwa. Sasa kama wewe hutaki kukagua, utajuaje kama pesa zimeibwa? Hata kuhusu ile Kenya Wildlife Service sasa nasikia yule aliyekuwa huko anaimbwa katika redio kama wimbo wa krismasi. Ukifungua redio tu unasikia Leakey; ukifungulia TV unasikia Leakey. Yeye alipokuwa mkubwa wa Kenya Wildlife Service alijua kwamba hizo pesa hazikaguliwi. Wale wanaoimba yeye sasa wanajua yeye ni hatari kwa sababu pesa anazo. Kama hazikaguliwi pesa huibwa. Sasa wale wezi wengine wanajua kwamba akiwa na fedha hizi yeye ni hatari kwao."

"Wimbo unaimbwa: Leakey! Leakey! Leakey! Sio eti yeye ni mwanasiasa wa kuogopwa, wivu ndio mkubwa. Sio eti Leakey ana siasa; hapana! Mimi ni mwanasiasa wa miaka mingi katika Kenya hii na---"

**Mr. Speaker:** Order! Order, Mr. Shikuku! I think, from what you have read from the newspaper and from what we have read from the HANSARD, I do not want to make a judgement, but probably the newspapers understood it the way they wrote, as a reasonable person would probably have understood.

**Mr. Shikuku:** On a point of order, Mr. Speaker, Sir. I never said that!

**Mr. Speaker:** They have understood that you are protesting. I think when an hon. Member wishes to correct anything that he is quoted to have said, he can stand and say he did not say that, and I think you have said it very clearly and they have heard. If their interpretation is different from what you think it ought to be, I do not think I would be of great assistance, particularly when the areas are "grey".

**Mr. Kamuyu:** On a point of order, Mr. Speaker, Sir. I would like to congratulate hon. Njenga Mungai for coming back to Parliament after six months, in one piece.

*(Applause)*

And also, I would like to ask---

**Mr. Speaker:** Order! Order, Mr. Kamuyu! You have not sought my permission to allocate you any time whatsoever on anything! So, if you did not think about it, it must be unimportant.

**Mr. Kamuyu:** I would like to ask for a Government Statement on security---

**Mr. Speaker:** Order, Mr. Kamuyu! If you have any pressing issue, the Chambers of the Speaker are open all the time. You have to make me aware that you want to make a statement so that I can allocate you the necessary time. As it is, we have already taken 35 minutes of business for matters other than business. Hon. Members will realise that we are not here all the time for matters other than business. We must come to business, and I think it is now time for business.

Next Order!

### COMMITTEE OF THE WHOLE HOUSE

*(Order for Committee read)*

*[Mr. Speaker left the Chair]*

#### IN THE COMMITTEE

*[The Temporary Deputy Chairman  
Mr. Wetangula, took the Chair]*

#### THE HIGHER EDUCATION LOANS BOARD BILL

*(Clauses 2,3,4,5,6,7,8,9,10,11,12 and 13 agreed to)*

#### Clause 14

**The Minister for Education** (Mr. Kamotho): Mr. Temporary Deputy Chairman, I wish to move:- THAT, Clause 14 (2), line 2, be amended by deleting the words "persons or" which makes the sentence redundant.

*(Question of the amendment proposed)*

*(Question that the words to be left out  
be left out, put and agreed to)*

*(Clause 14 as amended agreed to)*

#### Clause 20

**Dr. Lwali-Oyondi:** Mr. Temporary Deputy Chairman, I wish to draw your attention to Clause 20 (2), which says:

"The Board may, in exercise of the powers conferred by subsection (1), engage the services of private legal practitioners.

Mr. Temporary Deputy Chairman, I was wondering why the State Counsels cannot be engaged to do this work, instead of the private practitioners. We have so many lawyers and many of them have no jobs. Could we not involve some of these young men in this and thus, have no loop-holes where people will be paying private lawyers with the view of swindling the corporation?

**The Minister for Education** (Mr. Kamotho): Mr. Temporary Deputy Chairman, Sir, this is a very normal practice. What the Clause is really saying is; "the Board may", in case it has a very complicated legal matter which is beyond their legal capacity. In most cases, the State Counsels of the Attorney-General's office are so busy that such issues can always be referred to a practising lawyer to handle. I do not see anything wrong with that because it is a normal practice.

*(Clauses 15,16,17,18,19,20,21,22,23,24,25,26,27,28,  
29,30,31,32,33,34,36,37,38,39 and 40 agreed to)*

*(Title agreed to)*



*(Clause 1 agreed to)*

**The Minister for Education** (Mr. Kamotho): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee do report to the House its consideration of the Higher Education Loans Board Bill and its approval thereof with amendments.

*(Question proposed)*

*(Question put and agreed to)*

*(The House resumed)*

*[Mr. Speaker in the Chair]*

### REPORT AND THIRD READING

#### THE HIGHER EDUCATION LOANS BOARD BILL

**Mr. Wetangula:** Mr. Speaker, Sir, I beg to report that the Committee of the Whole House has considered the Higher Education Loan Board Bill and approved the same with amendments.

**The Minister for Education** (Mr. Kamotho): Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

**The Minister for Health** (Mr. Angatia) seconded.

*(Question proposed)*

*(Question put and agreed to)*

**The Minister for Education** (Mr. Kamotho): Mr. Speaker, Sir, I beg to move that the Higher Education Loans Board Bill be now read a Third Time.

**The Minister for Health** (Mr. Angatia) seconded.

*(Question proposed)*

*(Question put and agreed to)*

*(The Bill was accordingly read  
the Third Time and passed)*

### MOTION

#### ADOPTION OF PIC REPORT

THAT, this House adopts the Report of the Public Investments Committee on the Accounts of the State Corporations which was laid on the Table of the House on 20th April, 1995.

*(Prof. Anyang'-Nyong'o on 7.6.95)*

*(Resumption of Debate interrupted on 13.6.95)*

**Mr. Speaker:** I understand hon. Obure was on the Floor last night.

**Mr. Obure:** Thank you, Mr. Speaker Sir. I will continue from where I left.

This Report tells Kenyans the real state of affairs as of now. At one point I said that, for any Government or any officers working in any Government to be held in confidence by people who institute and elect the Government, they must be accountable and that the Government must carry out its responsibilities properly. The high standards in ethical behaviour by those who discharge Government responsibilities are more important than anything else in

carrying out public responsibilities. The people of this country have elected a Government and the Government is for the people. The Government has delegated to them the responsibility of discharging the affairs of the State. The Government does not give the responsibility to some people to deprive others their rights. If the Government has to continue governing, it has to be accountable; it has to respond to the common man's needs; the man whom it is governing.

In this respect in this Report as you can see on pages 12 and 20, you will see that this Government has not been discharging its responsibilities effectively. You will see that the Committee noted that for instance, the list of these accessories has not officially reduced the stock levels. The chief executives, who have been appointed by the Government, must be screened or must be known to be people with integrity, responsible people who have to honour their responsibility. So to say, leaders of the Government have to provide personal examples. For example, the Minister is charged with the responsibility of showing a personal example so that the officers under him can follow his good example. But what are we receiving in this present Government? You find that the Minister himself is involved in the rackets being practised by the parastatals. You find that a Minister is involved in the chaos in the country; you find that the Minister, who is supposed to be the spokesman of the Government, is the one who is grabbing the assets of the corporation. How can the people have confidence in the same Government headed by the highest officer appointed by the President and who does not honour that responsibility? This is to say that the ethical standards in our Government have literally failed and if this has happened, it is only fair to say that the same Government has failed.

It would not be fair for us to criticise and not offer suggestions as to what should be done so that the present and future Governments can run public affairs effectively. One suggestion is that men and women to be appointed to run public affairs should be far-sighted; they must be concerned about the affairs of the people. They must have interest in governing, running and in carrying out the responsibilities bestowed on them by the Government. Those must be people who want this country to be what it can be. It is only fair that those appointed to run parastatals, or to be Ministers or to run our security system, must be brought to this Parliament for scrutiny. On behalf of the country, these people must be scrutinised by the people who were elected to the highest positions of the land to run its affairs.

Mr. Speaker, Sir, anybody who wants to be elected President of this country must be screened properly. He must declare his wealth before he can present himself for election to occupy the highest office in the land. I say this because crooks have managed to come to power through corrupt practices. In future we might find a murderer or a thief coming to power through corruption. A warmonger might come to power in future and drive this country to war.

So, we in Parliament here must insist that persons aspiring for high positions of leadership must be people of integrity; they must qualify to be elected. If a person who has been stealing and murdering people is appointed Minister, that will not be proper.

Mr. Speaker, Sir, I urge the Attorney-General to bring a Bill here which will enable this Parliament to pass a law saying that the people who will hold positions in parastatals should be people of high integrity. I think that is the only way we can get things done properly in this country. The reason why I say this is because, if you look through this Report, you will find that, in one way or the other, public funds have been embezzled. Some of the chief executives of parastatals have been appointed to those positions because of their political affiliations. Also in this Report, you will find that those who have been appointed to certain position have been appointed as a way of compensating them for supporting an individual or the system. We cannot run the Government this way. We must be able to tap the talents we have in this country. We must appoint properly qualified people. You might find that a person who has been working in the armed forces has been appointed governor or Central Bank. You may find that a journalist has been appointed Managing Director of Kenya Tea Development Authority. This beats all logic. The junior officers are likely to manipulate such chief executives. Some chief executives have been victims of circumstances. This is because they do not know what goes on in the parastatals they are heading. Some of them engage in political campaigns in various parts of this country. Such chief executives normally forget about the responsibilities they have been charged with. We must be able to use the human resources that we have in this country.

Mr. Speaker, Sir, Kenyans are an educated lot. We have enough experts here. We do not have to go to India or America to look for accountants or architects. But you will find that some officers in the Government like saying "we are going to import expertise from India and Britain." They do that just to get 10 per cent kickback. I have been made to understand that this has increased to 40 per cent. Maybe next time it will be 100 per cent. What effect does this have on our country? What effect is it going to have on our future generations? We do not want to be blamed by our grandchildren. All of us in this country have a responsibility to lead this country to greater heights of development so that future generations will know that we were once in the Government. We have to hand over to our children what our grandfathers bequeathed to us. We should not ruin this country.

At page 16 of the Report you will find that the Committee observed with concern that certain State

corporations did not maintain Fixed Assets Registers thereby making it difficult to verify the value as well as the physical existence of some of the assets owned by the Corporations.

The assets of State Corporations do not belong to individuals. They do not belong to the chief executives of those parastatals. They do not belong to Ministers. These are public assets. Those in Government must show honesty because a government which does not know honesty is not a government. A government that appoints dishonest officers acts wrongly. Things like vehicles cannot be accounted for in some parastatals. I think there is a reason why some of these State Corporations do not have Fixed Assets Registers. There is a reason why these assets are undervalued. The simple reason for this, and this Government knows it, is that some people do not know what they are supposed to do. They are unable to make sound decisions. If they do not know what to do then they are depriving the common man of what he had acquired.

The other day Mr. Speaker, Sir, I had a friend of mine who came to me and said, "Mhe. Obure can I have only Kshs50,000 to buy a Pajero which has been grounded for the last two years?", He was a very junior officer. He said we are working on a deal so that this Pajero could be bought at Kshs50,000 throw-away price". I am sorry to say here, if he is listening, that the collusion started with the driver being sent. The parts were removed and the vehicle was intentionally grounded. We keep on asking how many of the Government vehicles are grounded awaiting collection. They have gone as far as grounding vehicles like ambulances which are supposed to discharge services to the public.

I concur with this Committee, Mr. Speaker, Sir, that the assets must be accounted for and Ministers must be serious. They must go to the ground to see how many vehicles have been grounded and why they have been grounded. Lack of wheel can ground a vehicle or a switch, because they do not want the vehicle to get old. They want to buy the vehicle when it is new. So, a vehicle comes, there is collusion here and it is grounded after the driver is given a few cents. What has happened is reflected in Kenyatta National Hospital. It is the highest medical institution in the land where we expect the officers appointed there to set good examples to district hospitals. It is where we expect that the Government has tapped the talents which can manage the affairs of the State.

I must congratulate hon. Nyachae because I understand, Mr. Speaker, Sir, that when he was the Chief Secretary, he saved the nation by instituting a Check Unit for Government vehicles. I congratulate you, Mr. Nyachae, for what you did. But what has happened? Even those people who are in the Check Unit are also bribed by officers. Where do we start correcting the situation from in this country? Do we start from the masses or from those holding the highest positions in the country? How do we save this nation? You try this but if you are an honest person, you are removed from the system.

I have one young man who was working with KARI but, for security reasons, I do not want to mention his name. He was an internal auditor and he lost his job just because he refused to sign a cheque. There are many who have lost jobs in the same, same way. Now it is time to know that if you are corrupt you are accepted in the system. If you are forthright you are never accepted. Why do we not tell the public that this Government is a Government of corruption so that they must know that when we are talking like this we are talking about a Government of corruption, thieves and crooks? When you find people who have been appointed to high positions in the Central Bank---

**The Minister for Agriculture, Livestock Development and Marketing** (Mr. Nyachae): On a Point of Order Mr. Speaker, Sir.

**Mr. Speaker:** Yes! Yes!

**The Minister for Agriculture, Livestock Development and Marketing** (Mr. Nyachae): Mr. Speaker, Sir, the hon. Member has said that when you are corrupt you are accepted in the system but when you are not corrupt you are sacked. Is the hon. Member saying that all of us here who are in the system are corrupt? Is that what he is saying?

*(Applause)*

**Mr. Obure:** Mr. Speaker, Sir, hon. Nyachae knows very well that he is being fought from left and right because he is forthright. He knows it. It is only that they have failed to dislodge him. That is a fact, hon. Nyachae!

*(Laughter)*

**An hon. Member:** There is a big chain!

**Mr. Obure:** So, I am telling you the truth Mr. Nyachae.

Mr. Speaker, Sir, let me continue. Look at page 278 of the Report and you will be surprised; under Fixed Assets. The Board's Account for the year 1987/1988 excludes Fixed Assets totalling Kshs1,507,917,403 inherited from the Ministry of Health. It goes on to say that "besides, the Board did not produce for audit documents in support

of Fixed Assets amounting to Kshs6,624,792 procured during the period under review".

Mr. Speaker, Sir, Kshs1 billion is not a small amount of money. It is an amount that I would say would feed this nation for, say, a week. But when you read that so much money has been lost and when you think about how many kids are out there who have finished school and they do not have jobs---

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

**Mr. Speaker:** Yes.

**The Assistant Minister for Finance** (Mr. Keah): Mr. Speaker, Sir, I do not want to interrupt my good friend who is making a contribution here but I must make a correction to the misconception being portrayed here that the absence of a Fixed Assets Register means that the amount of money involved in the said fixed assets has been misappropriated. This is the notion the hon. Obure is giving. I agree entirely that there is need to have a Fixed Asset Register because it is a book of accounts, but the fact that it is absent does not mean that the amount so involved, which has not been represented therein, has been misappropriated. My point of order, therefore, is whether he is in order to mislead this House, and the nation, that, that amount of money has been misappropriated.

**Mr. Obure:** Mr. Speaker, Sir, the little account I did in college tells me that when you devalue an asset when it has not lost the value, hon. Keah should know, that amount is lost. I say that if today he buys a new Mercedes and then it is written off and is sold for only Kshs500,000, the country has lost the same amount. That is the way I understand it. The value of an asset is as good as money. If you tell me "this cow is dead"; and it is not dead, and you take it, I have lost such value.

Mr. Speaker, Sir, if you go to page 282, you will see that the Board's Accounts for the Year ended 30th June, 1989 explains about fixed assets amounting to Kshs 1,507,917,405.

This is the Report by the Auditor-General (Corporations) on the accounts of the Kenyatta National Hospital Board for the year ended 30th June, 1989.

Another thing, Mr. Speaker, Sir, is that if we do not maintain the register, it beats every sense. If you go to any corporation, how do you know what belongs to the Government, the officers and the workers? The operative word here is that the assets of parastatals have been grossly "misused". In fact, let me add the words "grossly misappropriated". This must stop because these are not assets of an individual but of a nation.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

Mr. Deputy Speaker, Sir, let me take you to page 184 on education. This is the report of the Auditor-General (Corporations) on the accounts of the Kenyatta University for the year ended 30th June, 1991. It reads as follows, and quote:-

"The Committee noted with concern that as a result of this irregular undertaking, the University was ordered by the court to pay the outstanding amount with an interest of 18 per cent. The Committee was further concerned that no disciplinary action was taken against the former University Secretary, Dr. J. Yego, who subsequently left the University and joined the Jomo Kenyatta University College of Agriculture and Technology."

Now, there is an outcry there. As I speak now, I am not speaking my own voice but the voice of millions of Kenyans out there who cannot have an access to this Parliament. An officer charged with the responsibility of protecting the property of this nation has messed up a lot of institutions. He has taken a lot of money and goes and joins other institutions of a similar cadre. You wonder why? Is it because we do not have people who can replace them? Is it because they are very special and cannot be touched? How do you put a thief in the bedroom who steals in the kitchen? He can even steal your wife? If a thief steals from the farm and you take him in the house, do you not think he will be worse off? So, this is very irregular and the people we represent have a big concern with our present Government. If we do not represent the voice of our people in this Parliament, we shall be misjudged and we shall be answerable in future. So, if you look here, Dr. Yego is transferred from one institution to another even though he had been proved guilty. The report says:-

"The Committee was informed that the University had taken steps to ensure that no official commits the University's contracts and transactions without prior knowledge of the Council and the University Administration".

This is very wrong because it shows that our present Government is not governing at all. It has no regulations and laws. The laws that we pass here in Parliament are not adhered to at all. Nobody listens to what we pass here. I think there must be regulations in any given society. Even in your own home, you should be able to tell the children: "Wake up in the morning, wash your face and go to school". That is the simplest family unit with laws.

If a family - the smallest unit in the land - has laws and rules that govern it, how come that we do not have laws that govern our Government, the highest institution in land and an institution with people who are capable of discharging its responsibilities? What will people say if you have a government that does not follow the laws that have been passed by the people of the land? Here we have the President, Minister for Education and Director--- He by-passes them and does what he wants. What will the people say about that? They represent their own interests. Come 1997, do not think Kenyans are fools any more, whether one is poor or rich. Kenyans know it all and they will make a big decision in 1997 and I am fully with them. If we have a Government that has to condone gross misconduct like this, then surely what will the people in the Government tell their voters?

Mr. Deputy Speaker, Sir, this Report covers 63 State Corporations and I bet Kshs10,000 that if I am shown a single parastatal that is clean, I will give hon. Sagini Kshs.1,000! Let me give a list of them, from Kenyatta University, Maseno University, Tana and Athi Rivers Development Authority (TARDA) and so on. I went through this Report the whole night and I could not sleep. My wife asked me why I could not sleep. But how could I get sleep when millions of shillings have been siphoned from the public coffers! You cannot sleep at all when you imagine that hundreds of children are out here without jobs, thousands of people cannot get simple malariaquin in dispensaries, we do not have fuel to run Government vehicles but a single person has taken millions of shillings! How can you sleep? Who among our legislators here could sleep? I am sure none. In fact, you wonder and it becomes unbelievable. It is like a nightmare. You cannot imagine a single person getting Kshs94 million! I am sure if Kisii District was given only Kshs50 million to repair the roads or provide medicine to our people, we could be more than thankful to this Government. But that money has been taken by a single individual and what hurts us more is that this individual or people cannot be taken to court and prosecuted. Even if they were taken to court, they are declared innocent. The Attorney-General who is supposed to prosecute the culprits of this land is the same person who is in the forefront guarding corruption, condoning theft and so on. Telephone calls come from State House instructing him on what to do in those cases. What fairness are we doing to our people in this country? Now, looking at page 184 of the same Report, you will find the following information:-

"The Committee noted with concern that as a result of irregular undertaking, the University was ordered by the Court to pay the outstanding amount with an interest of 18 per cent. The Committee was further concerned that no disciplinary action was taken against the former University Secretary, Dr. J.K. Yego, who subsequently left the University and joined the Jomo Kenyatta University College of Agriculture and Technology. The Committee was informed that the University had taken steps to ensure that no official commits the University to contracts and transactions without prior knowledge and authority of the Council and the University administration".

*(Loud consultation)*

**An hon. Member:** They are having a dialogue!

**Mr. Obure:** Mr. Deputy Speaker, Sir, what surprises me is that disciplinary action was not taken against the former University Secretary, Dr. J.K. Yego. Since such an action was not taken against such a person, it will even require me to leave this job as the hon. Member of Parliament and head one of the parastatal to become a millionaire. I think even the Members of Parliament are going to run away in 1997, and come and head parastatals and become millionaires because that is the place where you cannot be taken to court just because you are in the system; just because you accepted to be a part and parcel of corruption.

Mr. Deputy Speaker, Sir, these amounts of money taken from our highest institutions of learning; that is Moi and Kenyatta Universities have caused chaos. Chaos is the order of the day in our institutions. You find that students cannot get enough food just because a few top officials who are supposed to provide the services - and we the parents have given the money - cannot provide food and facilities as per the regulations. Recently, we heard that a student was killed in Kenyatta University and the students were raising alarm. Today, our students in the universities are going hungry. This is the fact of the matter. If you give money to a child of 16 years, and tell he or she to buy food, he will not be able to manage his or her money. Most of us, legislators, are parents. If you give your child, Kshs1,000 to spend, he will not do so. A child of 16 years has not learnt how to handle finances.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. I was listening very carefully to the speaker, and we are talking of the university students. I was wondering whether he was in order to inform us that there are 16-year old university students in Kenya.

**Mr. Obure:** Mr. Speaker, Sir, if you look at the students who are going to the universities today, for example, from Kisii, hon. Lwali-Oyondi, would agree with me that we have bright children whose age is 12 or 13 years. So, let him be informed that in Kisii we have students who are in the universities at the age of 13 or 14!

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. We are very serious in this Parliament.

Could the hon. Member substantiate the fact that there are university students from Kisii whose ages range between 12 and 13 years?

**Mr. Obure:** Mr. Deputy Speaker, Sir, the hon Dr. Lwali-Oyondi should know that we have the 8-4-4 System of Education. I think he is forgetting that we have abandoned the Form Six grade. Today, we have students, so to say, who are going to universities at a very early age and who have not really matured.

If I can continue, Mr. Deputy Speaker, Sir, we have international agreement where we are losing millions of shillings from our coffers. This information is contained on page 20. It is titled; "International Agreements and Contracts".

I will quote it:-

"The Committee observed with concern, and deplored the manner in which international agreements and contracts had been negotiated between the Kenya Government and foreign firms, on behalf of the State Corporations, to the detriment of the Government and the Corporations, e.g. Nzoia Sugar Company. The Company (Nzoia) had accumulated obsolete stores amounting to Kshs23,589,353 which were spare parts brought in to service overpriced tractors supplied from France, under an agreement signed between the Kenya Government and the contractor, Ms Technisucré of France to the disadvantage of Nzoia Sugar Company".

Mr. Deputy Speaker, Sir, I am very proud that this nation has achieved something in education. I am not saying that we have not made an achievement in education. We have taken our children to the universities, but some of us or legislators, who have been privileged to be out of this country and I being one of them, know that we Africans have been taken for a ride.

Now, Mr. Deputy Speaker, Sir, sometimes we should face the reality and thank our President. It is good that he talked against reliance on foreigners. It is not proper to trust any visitor who comes to your house. You do not take a visitor to your main bedroom. You have to study strangers and comen. A lot of times we have had contracts with foreigners and through them we have lost a lot of money, just because we have not taken seriously the signing of the contracts and what it entails to have contracts with foreigners. People from abroad come here and claim to be experts in engineering and other fields, while they are crooks who have run away from their countries to come and con Africans out of their money. That is how a lot of corporations have lost a lot of money. That is what happened at Nzoia Sugar Company, which now has a legal tussle with Ms Arkel International (AI) regarding the sum of K£179,678 as a disputed payment of penalties.

Some of us have lived with these people and know that useful people live in the United States and cannot leave their jobs and come to this country. Today we are slaves of Indians who came from Bombay in bare-footed to work as labourers during the construction of the Kenya-Uganda Railway line. Let us admit the facts. Go to houses of Indians here and you will find that our boys and girls are literally slaves because they are instructed not to come out of the houses of their masters. If our Government is serious in executing the public policies of this land; if it cares for its people it has to be serious so that a lot of millions of shillings are not taken away from us by foreigners.

Why do I say so? Earlier on I gave an example of a retired army major becoming the managing director of a State Corporation. He has no experience in accounting nor does he know law, but still the Minister sends him to the United Kingdom or China to sign contracts. We only come to realise later that the people we sent out to go and sign contracts did not even understand the terms of the contracts they signed! So, it is only fair to say that we have misallocated our resources. You will find a journalist being in charge of a business. I was talking to one of our Ministers who is a journalist and he was complaining that he cannot give proposals in his Ministry because his profession is journalism. That is how junior officers have manipulated Ministers to deprive this Government and Kenyans of millions of money. Surely, if you are a journalist and you are put in the Ministry of Health there is nothing you can say about medicine. In fact, you are frustrated.

So, my request is that now and in future let men and women in this country stand up and call a spade a spade.

If this Government cannot change; if it cannot have the courtesy of placing people in the right positions, then Kenyans are not going to have confidence in it. If we do not have confidence in this Government, we will tell these Ministers and chief executives of State Corporations "Thank you; but go home". But, in fact, if I may say it, in the next Government it will not be a matter of simply saying "Go home", which is what this Government is telling officers who mess up things. In the next Government, let me assure you here, will not just tell them to go home but we will ensure that they end up in jail. That they must be prepared for. The only exception will be for an old man like hon. Sagini. How can you take this old man to jail? He is a fair and very honest [**Mr. Obure**] old man, who is widely respected in this country. So, I am sure he will not go to jail. However, the rest will go in. This is because these are the people I know most.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to clearly state that those on the other side of the House are corrupt and then single out only a fellow Kisii as being holy?

**Mr. Obure:** Mr. Deputy Speaker, Sir, I will never be a tribalist like this Government. I am a forthright Member of Parliament to serve not only Bomachoge, Kisii, but the whole nation. The money stolen from Kenyans would have served all Kenyans and not only Kisii. As a matter of fact, now we are in Kikuyuland. I was educated in Luoland and when I was coming from abroad I passed through Mombasa. I want this Government to protect Kenyans and not Luos, Kikuyus, Kalenjins or, in fact, the Abasuba as a special group.

Now, the people who are going to sign contracts on our behalf must be knowledgeable. As I said, those foreigners who come to our land are comen. They forge certificates, come here, tell us that they are experts only for them to run away with our money. I cannot elaborate more on this because it is all stated in this Report. For example, on page xix it is stated that the former Managing Director of the Tana and Athi Rivers Development Authority, Mr. Alfrick Birgen - is he an African? - should be surcharged in respect of irregular use of the Authority's funds--

**Mr. Deputy Speaker:** Order! Mr. Obure! You definitely were here when I made my ruling on that point yesterday. I am reliably informed that, that matter is in court and so you will respect the principle of *sub judice*.

**Mr. Obure:** Mr. Deputy Speaker, Sir, I just wanted to add a light touch so that Kenyans know, but since the law restricts us from telling Kenyans, I abide by the law. We make those laws.

Mr. Deputy Speaker, Sir, what is spoiling this land is all summed up in one word: Corruption. Corruption has eaten into the fabric of this land. It is a cancer in this land, and it is the key word for poverty. The suffering this land is undergoing is all because of corruption. What perturbs me is that, as much as we would like to get rid of corruption in this land, we do not know where to start. Where do we start from? Do we start at the top or do we start with the masses? The word "KK", that is, *kitu kidogo*, in Kenya today is rife, right from the top politicians in the land to the churches. Where do we get one wise man in this land? Do we have to import? Do we seek your permission that the Kenya Government imports people to this land to advise us? Do we need foreigners to advise us? Whatever has gone wrong in Kenya today all boils down to corruption.

Mr. Deputy Speaker, Sir, when we talk like this, people might think that we are talking from our heads, but we are talking from what is in this Report. We have a Report on the Kenya Tea Development Authority (KTDA), which reads:

The Report of the Auditor-General, Corporations, ended 30 June, 1989: The Committee heard the evidence given by the Chief Executive and abhorred the irregular manner in which the Corporation procured 7,000 tons of fertilizer through a private firm, East African Heavy Chemicals, without inviting open tenders, thereby, incurring an expenditure of Kshs197,450, which could have been avoided.

The key words here are "could have been avoided". But why was it not avoided? The answer is; corruption. Let us agree or disagree that we can even enact a law that these parastatals are for those ones who were favoured by the system. You find a whole chief executive, a parent with children and grandchildren who knows that whatever he is doing will affect his own children---. As soon as he knows that fertilizers have to be procured, he calls his wife and his first-born child and, that same night, he forms a company called East African Heavy Chemicals. The next morning, the boy is sent to register the company. The company is registered and the boy becomes the managing director of the company. He is then told to write an application, and he is told what exactly to quote, which will be the lowest. By then, the chief executive has opened all the tenders and he knows how much the other candidates are quoting. This is a sad story; that the individual who governs the institution is the same one who corrupts it, and yet he claims to run the affairs of the Republic. Given such a situation, would it be wrong to say that the people who run the parastatals own them? This is not a fictitious story that I am telling. These hon. Members know what I am talking about because some of them have colluded with these parastatal chiefs, if we have to say the truth. As soon as they form this company and make their quotation, the Tender Board is instructed to approve their application. Do you know how fast the cheque is written? The chief accountant is summoned and he is ordered to write out the cheque and have it duly signed. Now, the sad part of it today is as follows; and I want Kenyans to listen and hear. I stand to be corrected today. The highest office in the land has ordered that there shall be no internal audit department in our Government. Today, as I speak, millions of shillings are being syphoned away from the public coffers. How can we run an institution? How can we fight against corruption if we cannot have the Internal Audit Department? Now, I understand this department is now called Audit Inspectorate. All these officers are going to be pooled in one office and be called upon to check where there is a problem. With my little experience, I do not think that we can run the Government like that. The government is not a personal property. You have been given a responsibility to discharge, but you have to discharge those responsibilities with confidence and faithfulness. The people who are in this Government are our sons and the Government is the property of this country. Do we have anybody in this country who is from India or America? The chief executives we have are our own sons. We spent money to educate them. We paid taxes for these people in the parastatals to be educated. For what? So that they could come and serve us. We are proud of them because they are our own sons and daughters. But what are they doing to us?

**Mr. Kamuren:** On a point of order, Mr. Deputy Speaker, Sir. I do not wish to interrupt my hon. friend on the Floor, but at least, because of his age, since he is still younger, he should lower his voice so that elderly hon. Members like Mr. Sagini and the rest will be able to catch up and listen. He is too loud.

**Mr. Obure:** Mr. Deputy Speaker, Sir, you cannot control bitterness. When I speak, I speak on behalf of the majority. These cries emanate from the common man. If the common man could be in this House today, this House could be in chaos and I am portraying exactly the bitterness and the anger out there. I am telling the Minister about the outcry of the common man. Those people are bitter and hungry. I have been made to understand that for instance hon. Kamuren came in here unopposed and so he does not speak for anybody.

*(Applause)*

We in here are speaking on behalf of the people and this is their voice. They are very bitter.

### QUORUM

**Mr. Mathenge:** On a point of order, Mr. Speaker, Sir. It looks as if there is no quorum.

**Mr. Deputy Speaker:** Okay, It has been confirmed that we have no quorum. I direct that the Division Bell be rung.

*(The Division Bell was rung)*

**Mr. Deputy Speaker:** Order! We have a quorum now. You may proceed, Mr. Obure.

**Mr. Obure:** Thank you, Mr. Deputy Speaker, Sir. I have seen these hon. Members coming in and I do not know whether they have to go to the HANSARD to learn what I have said regarding *wananchi's* feelings on the misuse of public funds so that they can learn that this Government has to discharge its responsibilities. When I talk like this, I am not saying that we do not have a Government. I am not saying that we are not proud of our sons and daughters. All I am saying is that they should know that the time is gone when the Kenyans were using some words in Kiswahili like "Mali ya Umma" because in those days we did not know what we were saying. If I found you stealing a book or a desk from a school, I would say "run away with the desk". But the time has come when we should teach our people to realise that the properties of the Government are actually our own properties. You cannot steal from yourself. I think that is where the colonialists went wrong. They never told us that Government property is our own property. I may excuse some officers who were educated early in the 1950s or 1960s and happen to be Ministers in this Government because they learnt that saying in Kiswahili "mali ya Umma ni ya kunyakuliwa".

I am telling them here now that they were taught wrongly. Can we have young blood appointed Ministers who have learnt that corruption is the main disease of this country and that the property of the government belongs to your mother and to your grandchildren? If you do not execute your services efficiently, it will be written in our history books and you will be charged for it. Your name will be displayed in the corridors of corruption. At that time we will have a hall where the names of those who championed for corruption and those who "ate" driving this country into the deep sea. Their names will be read by generations and generations to come. Mr. Deputy Speaker, Sir, have we ever questioned why Kenyans cannot prosper in business? We glorify these foreigners. We say "the Indians are the most educated; they are business-minded" I went to India and saw for myself how they live in their own country. Idi Amin is in the books of history for having done what he did to the Indians who were in Uganda. A time will come when another Amin will be born in Kenya. As a prediction, Amin will be born in Kenya and justice and the truth will prevail and the nation will take its normal course. These bad activities cannot continue endlessly. It is now 30 years since we got our Independence. We have been collecting taxes ever since. The taxes collected here today have gone up by about 300 per cent, but when you look at the returns, it is just 1 per cent that goes to public coffers. The system defeats all sensible minds on this land. It is time we said "no" to corruption.

Kenya today is owned by a few individuals and I am ready to name them if challenged. Who are these few people who own Kenya?

Mr. Deputy Speaker, Sir, who pays taxes in Kenya today? The common man pays taxes. The privileged elite do not pay taxes. They even evade paying land rates for the land they have grabbed. It is very sad to note that thousands and thousands of acres of land are owned by very few people.

Mr. Deputy Speaker, Sir, Kenyans are very peaceful people. They do not want to fight over the land. They are giving you a chance to show what you can produce from that land so that you can feed Kenyans. Hundreds and hundreds of acres of land in the Rift Valley are fenced off. Only animals live on that land. There is no significant development on that land. We have hundreds of university graduates who are currently unemployed. They have



knowledge but the Government has no plans to create employment opportunities for these young people. These young people are going to turn against this country. They will turn against this Government. I have a dream that these people will one day turn against the Government. This Government is making a grievous mistake. These young people have university education; they can form their own "FERA". They can topple this Government. If you do not employ them what are they going to do? They do not have any land but they have knowledge. The Government has not created employment opportunities for them. In fact it has literally ignored them and they are going to turn against it. When they do that what shall we tell the people? Shall we tell them that we had no Government? We have told the Government that we are sitting on a time bomb. This time bomb needs to be defused. If we do not defuse this time bomb now it will explode and when it explodes nobody will be safe. We shall all be victims of the bomb that has been created by this Government.

Mr. Speaker, Sir, this Government should devise methods of creating employment for these young men and women who have completed their university education. If this is not done now it will be too late for this Government and the people of Kenya. Let us stop corruption. This has to start from the highest office of this land.

Mr. Deputy Speaker, Sir, the remedies that can save this Government are there. We have to prioritize our national plans. It is not good to put the cart before the horse. This Government is composed of people who are knowledgeable and who really know what should be done but they simply refuse to do it. How do you put the cart before the horse?

**Mr. Ruhiu:** On a point of order, Mr. Deputy Speaker, Sir. Is he in order to say that this Government is composed of men and women who are knowledgeable? I think that is a very sweeping statement. He should say it consists of---

**Mr. Deputy Speaker:** Order! Order! That is very frivolous, Mr. Ruhiu!

**Mr. Obure:** What I wanted to say, Mr. Deputy Speaker, Sir, is simply that if we want to develop this country and save it, let us put the horse where it is supposed to be. We have the manpower and we should have the factors of production also. We have the land. What other factors do we need for development? Let us have water and electricity. Rural electrification is the basis of industrialization. We cannot develop if we do not have water and electricity. Why should we build an oil pipeline from here to Baringo District? Why should we construct an airport in Baringo?

**Mr. Kamuren:** On a point of order, Mr. Deputy Speaker, Sir. I suppose the hon. Member on the Floor does not know this country well. We in Baringo do not have what he is talking about. He does not even know where Baringo is!

**Mr. Obure:** Mr. Deputy Speaker, Sir, it does not matter where Baringo is. The cardinal question here is this: Where do we start development from? If you construct an airport and you do not have any roads leading to that airport, how will you get to that airport? If you have oil and you do not have water can you run a car? How can you run a car without water, Dr. Misoi!

**Mr. Deputy Speaker:** Order! Mr. Obure, I presume that you are familiar with the wording of Standing Order No.87. This whole discussion is going beyond the PIC Report. Take that as a warning.

**Mr. Obure:** Thank you Mr. Deputy Speaker, Sir. If we have to develop, money misappropriated should be put into its rightful channel in order to enhance economic activities which can assist this nation. So to speak, instead of building airports, according to Kenyan standards, we should start building roads first. This is because roads will transport the goods produced by the people. For example Bomachoge as a Constituency or Kisii District, produces almost 90 per cent of the total tea, coffee and many other commodities which are exported from this country. These exports of tea, coffee and others bring foreign exchange into this country which is utilised by everybody in the Republic but how do we enhance the production of these goods? By providing the infrastructure. We have to build roads in Kisii, so, that we create an enabling environment to transport these commodities to the processing factories. Instead of the produce rotting in the farms because of lack of transport, we should build good roads and factories, instead of building an airport. How many Kenyans will go to alight at Baringo? How many Kenyans own aircraft apart from two or three in this country?

**The Assistant Minister for Transport and Communications** (Mr. Morogo): On a point of order Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** What is your point of order?

**The Assistant Minister for Transport and Communication** (Mr. Morogo): Mr. Deputy Speaker, Sir, would the hon. Member be kind enough to allow other Members to speak now that he is repeating himself?

*(Loud Consultation)*

**Mr. Deputy Speaker:** I will remind him of the provisions of Standing Order No. 87.

**Mr. Obure:** Mr. Deputy Speaker, Sir, I am only giving notes because the airport is in Baringo District. It could be in Kisumu or Kisii District but the truth of the matter is that we do not need airports. We need to spend these basic resources so that Kenyans can be able to gain. It is you and me who can gain. How many of our people fly out of the country? Very few! If we can have airports - we have had those - why can we not put murrum on the roads? We do not have to buy murrum because there is a lot of murrum in the country. The only things we need are tractors. We are not asking for the roads to be tarmacked. We are telling this Government that the granary of Kenya is Kisii District.

Mr. Deputy Speaker, Sir, during the dry season, bananas are transported from Kisii to Nairobi to serve the nation and other foods like, maize and beans are also grown there. We have to protect the granary which is Kisii District. When the Ministers are sitting in the Cabinet, let them try to remember Kisii District because that it is the granary of our people.

Mr. Deputy Speaker, Sir, if we have to assist people in Kisii District, we have to give them electricity because these people work day and night in their farms. To be able to work in the farms and factories, we need electricity. We need water, so that when we are in the farms, and Ministers and Directors are enjoying tea, beer and soda, we can have water to drink in the dry seasons. What we are saying here is that there must be fairness. There must be equitable distribution of the cake of this country and nobody should cheat anybody, anywhere, any time that we will forget that we Kisiiis we have been left behind. It is only a few people who have been remembered. We are a hard working people but we are a people who are not running after, 'Madaraka'. We are a people who are humble. The Kisiiis do not need much---

**Mr. Deputy Speaker:** Have you finished?

**Mr. Obure:** I am finishing soon!

*(Laughter)*

**Mr. Deputy Speaker:** Order Mr. Obure! I already gave you a warning under Standing Order No.87 and I think I will discontinue you. Mr. Keah!

*(Applause)*

**The Assistant Minister for Finance (Mr. Keah):** Thank you Mr. Deputy Speaker, Sir, for the opportunity to---

**Mr. Obure:** Mr. Deputy Speaker, Sir..... (inaudible)

**Mr. Deputy Speaker:** Order! Order! Mr. Obure, I am ordering you to leave the Chamber for that rude remark!

*(Mr. Obure withdrew from the Chamber)*

*(Loud Consultations)*

**The Assistant Minister for Finance (Mr. Keah):** Thank you Mr. Deputy Speaker, Sir, for giving me the opportunity to make my contributions particularly from the Ministry of Finance to this particular Motion.

Mr. Deputy Speaker, Sir, the Ministry of Finance has no intention of opposing the Report as presented by the Public Investments Committee. Indeed the Ministry and the Government appreciate the work that the Public Investments Committee has done and the many hours they put in. The recommendations that have been made have been noted.

Mr. Deputy Speaker, Sir, like the Chairman of the Public Investment Committee, I urge this House to adopt this Report. In urging the House to adopt this Report, I would like to make certain observations which have been made here by several speakers in putting certain things right. While the Government shares the very many sentiments with the Committee on the many issues raised in it, we would like to assure this House that the Government has not closed its eyes to the misappropriation, mismanagement and outright theft by certain staff of State Corporations.

Mr. Deputy Speaker, Sir, in view of this, the Government will continue to take steps and strive to improve the efficiency of the use of our country's scarce resources by making public enterprises more responsive to particularly market and commercial criteria and more appropriately to the---

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

**Mr. Deputy Speaker:** Yes Mr. Shikuku!

**Mr. Shikuku:** Mr. Deputy Speaker, Sir, my point of order is in connection with the views so far being expressed by the hon. Member. In my opinion, they are misleading. Is he in order to mislead the House that the Government will take appropriate action, when we have in this Report crimes committed in 1985 and nothing has been done? Is he in order to mislead the House that he is going to do anything?

**Mr. Deputy Speaker:** He is perfectly in order to say that they are now taking action.

*(Applause)*

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, those are his opinions. I did say that we are enhancing the profitability criteria as a basis of performance in so far as the State Corporations are concerned. Efforts are also being made to reduce public enterprise sector through the sale of non-strategic commercial public sectors and activities and liquidation of the non-viable enterprises. The Government will also enhance the role of the private sector in the economy through the transfer of production of goods and services through the public to the private sector.

Finally, we are reducing the Government's budgetary support to parastatals in order to leave the Government with more resources for use in providing the services such as medical, water, education and others. In this regard, in improving the performance of State Corporations, the Government is signing performance contracts with those corporations. These agreements consist of mutual commitments expected to be met by both the Government and the parastatals. A further action is that we are separating the non-commercial from the commercial activities with a view to preventing the parastatals from hiding poor performance outcomes behind social objectives. We hope that, through these measures, we will promote a "culture of excellence" in which successful performance will immediately be recognised and rewarded and poor performance penalised.

Mr. Deputy Speaker, Sir, in so far as the sale of public enterprises is concerned, endeavours are being made to achieve a wider ownership of shares by wananchi and to generate revenue, especially for the development of financial institutions by releasing funds invested by them in projects which are now mature so as to enable them to support new ones.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister to read his contribution as if he is giving us a financial statement?

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, I am merely enumerating one by one the steps that the Government is taking to improve efficiency of parastatals. For that, I need to go one by one and, as you can see, I am skipping over the points. So, let hon. Lwali-Oyondi not be so touched by that action.

Mr. Deputy Speaker, Sir, in the sale of public enterprises we are also diversifying the shareholding. But in this respect, there is the law of pre-emption rights which is binding on all the shareholders and the preference has to be given to the existing shareholders before the shares can be offered outside.

In respect of the agro-based industries, particularly with regard to the cotton ginneries, it is agreed that the poor management of the cotton ginneries and the resultant inability to pay farmers on time was due to mismanagement.

What the Government is doing is to encourage the ownership of these ginneries to the producers or the cotton growers.

The other point that I would like to bring to the attention of hon. Members relates to the exemption from the State Corporations Act. This exemption does not mean that these State Corporations will not be audited as was alluded to by hon. Shikuku. Exemption from the State Corporations Act is done so as to enhance operational flexibility and to enable the State Corporations to survive in a competitive environment. If these corporations are left under the State Corporations Act, this will not be the case because they will not be performing under commercial aspects. This exemption will provide for competition in the recruitment of qualified staff and also for market rates as well as avoiding bureaucratic procedures which would hinder the making of timely decisions.

I would like to emphasize that even when exempted from the State Corporations Act, these corporations are still subject to their own enabling Acts and, indeed, the principles of accountability, transparency and good governance are incorporated in the enabling legislation. For instance, the individual Acts require that the accounts be prepared in time and that they be audited by the Auditor-General (Corporations) and that they must be submitted to the Minister for presentation to Parliament.

Mr. Deputy Speaker, Sir, I want to go straight on to the matter relating to the pending court cases. You made your ruling and I do not want to add any more to that other than to re-state the Attorney-General's assurance that the necessary action is being taken. As I have said, the Government is very concerned about the malpractices and the thefts that have been experienced in the State Corporations. In this regard, we agree, therefore, with the bulk of the recommendations. As I said earlier, I urge this House that this Report be adopted. I also want to assure this House

that the Government will, in its purview, do everything to make the necessary corrections.

However, I would like to make the following observations: We are at the moment undertaking parastatals reforms and through this process, we certainly hope that efficiency, effectiveness and commercial performance in terms of profitability will prevail. Also, privatization is being enhanced and improved with a programme in place. Some of the reform programmes include expanding and enhancing the stock exchange which will facilitate and improve the capital markets. We are also strengthening the corporate governance and also carrying out a restructuring and retrenchment in these State Corporations. Accounting procedures and systems are also being enhanced.

At this point, I would like to call upon the Kenyan professionals including accountants, engineers, architects, doctors, valuers and others who are employed by these State Corporations to perform their duties properly. These are the people who are ostensibly and effectively running these State Corporations. If there is no fixed asset register, it is that accountant who is to blame and not the Minister. If there is no agreement that has been finalised, it is that Kenyan lawyer who is to blame and not the Minister. If, in fact, a valuation has been overvalued, it is not the Minister---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to try to shift blame from his inadequacies to his junior staff? He is the head and he should make sure that those people working under him perform their duties correctly. Is he in order to off load the blame from himself to his junior staff?

**The Assistant Minister for Finance (Mr. Keah):** I even call upon veterinary doctors to do their work more professionally within the state corporations as indeed---

**Mr. Shikuku:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to try and mislead this House when there are senior members in this House who know what a Government is? We know that the Minister is the only one who is responsible for all the sins in his Ministry. We do not talk of accountants or some architects. Is he in order to say that? He is an Assistant Minister and he cannot use this House to try and clean himself.

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, I am calling upon Kenyan professionals to accept their professionalism in the execution of their responsibilities in these state corporations where all these malpractices are taking place. I am not abrogating my responsibilities as an Assistant Minister in the Ministry of Finance but I am merely calling upon Kenyans to change this culture of malpractices or the syndrome of getting rich quickly by doing things they should not doing. These malpractices as contained in this Report, have been committed by several Kenyans, professional and qualified accountants, qualified and professional lawyers, quantity surveyors, architects you name them. My call is that this culture should stop. I am calling upon all of us to accept the responsibilities vested on us, including the hon. Shikuku for that matter. He should stop inciting members of the public through his representation and to accept that we all have a responsibility through this document which has been very ably put through by the hon. Chairman, Prof. Anyang' Nyong'o of the Public Investments Committee. We are grateful to him for pointing out these malpractices.

**Mr. Shikuku:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to say that I am inciting wananchi? When I was contributing to this Motion yesterday, I was going Clause by Clause through the Report and elaborating on the points contained in the Report. Is he in order to say that I was inciting people? Would you like me to incite them by using the Floor of this House?

**An hon. Member:** Yes, you even said it!

**Mr. Shikuku:** Mr. Deputy Speaker, Sir, the hon. Member should understand that I am very senior in this House and he should have some respect for me. He is a baby in this House.

**An hon. Member:** Who is he?

**Mr. Shikuku:** Hon. Keah!

**The Assistant Minister for Finance (Mr. Keah):** Thank you, Mr. Deputy Speaker, Sir. I think my point has been made. My call to Kenyans is quite clear. My call to all is to accept our responsibilities is quite clear. This Government accepts its responsibilities fully and this is why we appreciate and acknowledge this particular Report which has brought to light many of the malpractices.

Being an accountant, I even urge my fellow professional accountants to do their work well. Take for example, the auditors who give a true and fair view of some accounts when in fact behind the scenes those accounts have a lot of malpractice. What true and fair view is that? That is what I am talking about. We do have a grave responsibility and we have to change this syndrome of getting rich quickly. We have to come down to earth.

The other point I want to mention is the fact that the billions of shillings that have been mentioned in the Report have not in fact been stolen. A malpractice does not necessarily mean that money has been stolen. For example, the absence of a fixed asset register does not necessarily mean that the underlying assets have all been stolen. All the Report is saying is that, that register ought to have been written. That is where the professional accountant comes in. If he has not done that work it does not mean that the Kshs1.5 billion worth of assets has all been thrown out through the window. Therefore, there has been a lot of misrepresentation in the understanding of some of the figures here. The

people who have, in fact, been found guilty of definitive malpractices have been mentioned in here, and the recommendations are quite vivid, that they should be prosecuted. In view of the ruling of the Chair on this matter, I will say no more. However, people should be careful in interpreting the figures which have been mentioned in here. Malpractices do not mean theft. I and this Government do not condone theft. In fact, I abhor theft.

Mr. Mr. Deputy Speaker, Sir, my last appeal, once again to Kenyans is, let us---

**Mr. Shidiye:** On a point of order, Mr. Deputy Speaker, Sir. In view of the fact that we have exhaustively discussed this Motion and further that tomorrow is Budget Day, will I be in order to move that the Mover be now called upon to reply?

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, I was on the verge of winding up. So, with those remarks, I beg to support.

*(Question, that the Mover be now called upon to reply, put and agreed to)*

**Prof. Anyang-Nyong'o:** Thank you very much, Mr. Deputy Speaker, Sir. I am happy to reply to the Motion and to thank the hon. Members of this House sincerely for their very valuable contributions and very sincere critiques of the Report. I am grateful to the Government Responder to the Report and also for Government willingness to ensure that this time round the recommendations of this Report will be implemented and that cases that have been cited with *prima facie* evidence of mismanagement and corruption will be properly prosecuted by the Attorney-General.

If you look at the last pages of the Report, you will find that the Committee has introduced Treasury memoranda for the implementation of the Fourth Report. If I had time, I would have gone into details of the extent to which each recommendation has been implemented. But I would urge the Government that, this time there must be a much more consistent and beautiful implementation of the recommendations, as Assistant Minister for Finance, hon. Keah, has promised.

But I would just like to point out specific actions that we have asked the Attorney-General to take. One is with regard to the Kenya Posts and Telecommunications Corporation in the matter of Kshs.94 million which was paid to Mr. Paul Ndarua for a consultancy, which the Committee took exception to. I do hope that expeditious action will be taken on that.

Secondly, there is the issue of the Milling Corporation of Kenya which has been outstanding for a long time. I think it would not be good for the Government to keep these things pending for too long because it becomes an eyesore in terms of the records of transparency and accountability on the part of the Kenya Government. The other issue is the NSSF. You will realise from this week's daily reports that the NSSF continues to have exceptions from the Auditor-General, Corporations, in terms of the management of that corporation. We have made specific recommendations on the actions to be taken on Trustees Messrs. Mulei and Kunguru regarding past audit reports of that corporations. I do hope that the NSSF ceases to continue with these malpractices. In the case of the Lake Basin Development Authority (LBDA), which was more or less ground to a stand-still by Mr. Ben Obura, the former Chief Executive, we also hope that the Attorney-General will take expeditious action against him so that the present Executive of the LBDA can take a good lesson from the past. All other cases that are reported and recommended by the Committee, the Committee hopes that, without necessarily revisiting those cases now, appropriate action shall be taken.

The Committee observed that not all public corporations do submit their accounts to Parliament as required by the State Corporations Act and the enabling Acts of these corporations, individually. It would help the Auditor-General, Corporations, if the provisions of the State Corporations Act were strictly observed by all corporations. We do hope that parent Ministries of these corporations will ensure that those corporations under them act according to the provisions of the Act.

Mr. Deputy Speaker, Sir, there is also another comment which I share with the Assistant Minister for Finance, Mr. Keah. This is the accuracy of the accounts submitted to the Auditor-General(Corporations). A lot of delay is often caused when corporations do not keep their accounts properly. This is really a matter of lack of professionalism on the part of these corporations and I hope that this time round, it improves. It is very important that public corporations dispose of public assets properly. The issue of disposal of land, in particular, is very painful to this nation. The Kenya Railways Corporation is one of the biggest land owners in this nation. This corporation has been disposing of land in a very irresponsible manner. This has been pointed out in the various reports of the Public Investments Committee, including the Fifth Report, and we do hope that the Kenya Railways Corporation will be a good guardian of public property, particularly land. We also hope that the NSSF will be much more responsible in investing public monies in assets. You realise that this week, there was a report in the Press that the NSSF continues

to invest its monies irresponsibly, particularly in real estate ventures which do not pay. The most recent one which has been mentioned in the Press is about Bruce House. We, in the Fifth Report, have mentioned many, but we would urge the Government that these public corporations, especially major ones like the NSSF and NHIF should submit their investment portfolios to Parliament for approval before they use such huge sums of money in ventures which do not pay.

Mr. Deputy Speaker, Sir, I would also like to mention the Kenya Re-Insurance Corporation which has been venturing in extremely unfortunate real estate investments, particularly, houses in Kisumu, Eldoret, Meru and so on, which have not been sold for over three years. This is a waste of public resources and putting idle capital in assets which do not pay. I would also mention the case of the Kenya Ports Authority (KPA) and its joint venture with Suli Suli Company, where a total of Kshs6 million has been lost. These are cases which need attention and I hope that the Executive will ensure that this is done. These issues are closely connected with the performance of the chief executives of these public corporations. The Public Investments Committee has made specific recommendations to this effect and we have also made recommendations that may lead to a better formulation of the State Corporations Act, which we hope will come to Parliament, properly amended to take care of present realities.

Mr. Deputy Speaker, Sir, while talking of management of parastatals, we hope that the composition of Boards of public corporations and the regularity with which they meet will be better observed after the adoption of the Fifth Report of the Public Investments Committee. Now, I would like to make some quick comments about specific parastatals which hon. Members have shown concern about. One of them is the Kerio Valley Development Authority. The issue of the Turkwel Gorge project has received extensive attention in this Report, but the recommendations of this Report should be read in conjunction with the recommendation of the Fourth Report and in conjunction with the Treasury Memorandum which comes at the end. I think hon. Members did not have time to look at those issues and did not get the full gist of the Committee's recommendation regarding:-

- (a) The ownership of the Turkwel Gorge Multi-purpose project;
- (b) The management of that project; and
- (c) The issue of international agreements and contracts, where we have recommended that the Government should take care of the agreements it signs and should sign appropriate on-lending agreements with parastatals when investments are made.

I think that this is a matter that hon. Members did not look at very carefully and I hope that when they read our Fourth Report, the Fifth Report and the Treasury Memorandum and our Executive Summary, a much more clearer picture comes to mind, which hon. Members seem to have missed.

Mr. Deputy Speaker, Sir, I would like to go quickly again to NSSF. There is a big problem with benefit payments for members. We did recommend this last year and in this Report, on page 645, under Recommendation No.139, we do hope that the Government will ensure that the matter of disbursing benefits to members is properly carried out by NSSF. At the moment, many Kenyans, once they retire, suffer unfairly because the NSSF does not disburse benefits to members effectively and efficiently. This has to do purely with the mismanagement of the Corporation.

Let me also say something about the National Irrigation Board. A corporation that hon. Members seem not to have paid very keen attention about. It is known that the National Irrigation Board affects a lot of Kenyans. I do hope that this time around, the Public Investments Committee, will visit the Mwea Irrigation Scheme and the West Kano Irrigation Scheme to see the extent to which the Irrigation Board is meeting the needs of Kenyans. For example, I know that in West Kano Irrigation Scheme, a farmer can harvest ten bags of rice, but he will only be paid for two or three bags because the money is being cut or is being held so as to repay the loans. We notice from the Report that National Irrigation Board has not been servicing its loans because of non-signing of the on-lending agreement between the Board and the Treasury, whereas farmers are daily paying by their sweat to the Irrigation Board. I do hope that the Board will wake up to its responsibilities, and apart from withholding farmers' money, will also service its debts and loans appropriately.

Mr. Deputy Speaker, Sir, finally, I would like to talk briefly about the issue of privatisation. I do appreciate the point that Mr. Keah has made regarding the disposal of shares by the Government; where the Government is a minority shareholder in companies where the Government is privatising. This is the issue of pre-emptive rights. We know that this exists in Company Law, but we should realise that we should review these laws in the context of our history. The Government may have a minority share in a company, but that share in terms of volume in terms of public assets at large, is quite substantial where Kenyans are concerned. In that regard, Mr. Deputy Speaker, Sir, even though the Government can exercise pre-emptive rights, there is always room for negotiations or what is called plea-bargaining in law. We would hope that the Government should plea-bargain ahead of time and ensure that the law of pre-emptive rights is not misused against the interests of Kenyans whose taxes were used to buy these shares in these so-called companies. This is a recommendation that the Committee has made and I hope that it is taken in good

faith by the Government and that it is dutifully implemented so that we do not have another repeat case of Firestone in the privatisation of other enterprises.

Mr. Deputy Speaker, Sir, the Committee has gone into details to itemize the various companies where pre-emptive rights might be exercised. We have cautioned the Government that, in these companies which are up for privatisation, that right should not be exercised against the interest of Kenyans. This is because privatisation should be, first and foremost, for putting public assets at the disposal of indigenous Kenyans who should buy them. If they do not have the financial wherewithal, there should be a credit system established by the Government, where Kenyans can get credit and buy these assets so that we really have a domestic capital formation for enhancing the economic capacity of Kenyans, not enhancing the economic capacity of people who never pay taxes to this Government; so that the Government can invest in either these companies or in parastatals.

With those few remarks, I beg to move.

*(Question put and agreed to)*

#### ADJOURNMENT

**Mr. Deputy Speaker:** Hon. Members, it is now time for the interruption of business and the House, therefore, stands adjourned until tomorrow 15th June, 1995, at 2.30 p.m.

The House rose at 6.25 p.m.