

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 1st July, 1998

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.207

OCCUPATION OF FARMS BY HERDSMEN

Mr. P.S. Kihara asked a Minister of State, Office of the President:-

(a) whether he was aware that Maasai herdsmen have occupied the whole of Utheri wa Lari Farmers Company, Nyakinyua and Eleri Farms in the Longonot Location of Naivasha Constituency thereby displacing the rightful owners of these farms;

(b) whether he was further aware that Utheri wa Lari Primary School which was built by the shareholders of Utheri wa Lari Farmers Company has been taken over by these Maasai herdsmen and it is no longer available for use by the children of the shareholders; and,

(c) what he was doing to avert this potentially dangerous situation.

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

(a) I am aware of the Maasai herdsmen who are grazing in unoccupied land in the Utheri wa Lari Farms Company. This is mainly because the two companies have had leadership wrangles and there are certain members who live outside the area leaving their land unoccupied. This prompted the Maasai herdsmen to invade the place and they are grazing there.

(b) I am also aware that the Utheri wa Lari Primary School which was built by the shareholders was closed in 1994 because of under-enrolment of the school children. So, this will be opened once the residents have enrolled a sufficient number.

(c) The hon. Member knows very well what we are doing because I have held several meetings with him and his councillors and they have also held meetings with the DC. The Provincial Administration is handling those problems adequately. We will continue to work closely with them. Further, the DC has written to the Registrar of Societies asking him to instruct these companies to convene an annual general meeting which has not been held for the last 10 years so that they can sort out the leadership problems.

Mr. P.S. Kihara: Mr. Speaker, Sir, I am very grateful to the Minister, because since asking this Question, I have been to see him with the elders from Longonot Location. One of the problems we had was lack of peace because of the cattle rustling activities that were going on in the area. I am happy to report to the House that there is peace now. The people of Mai Mahiu and Longonot area are very grateful that there is some peace there. But with regard to invasion of other people's land, I do not think that our Maasai brothers should take advantage of the situation and occupy other people's land. There is also a lot of grazing going on on our land there. Those people driving to Nakuru have seen that the whole of that area has---

Mr. Speaker: Will you bring a Motion?

Mr. P.S. Kihara: Mr. Speaker, Sir, could the Minister ensure that those people who are occupying other people's land are evicted, and that there is no more grazing on people's land? I am appealing to our Maasai leaders - I think you can help here, Mr. Speaker, Sir - to impress upon them that there is something called a title deed which must be respected.

Maj. Madoka: Thank you, Mr. Speaker, Sir. I have taken note of the remarks of the hon. Member and we will look into it.

Mr. Gitonga: Mr. Speaker, Sir, looking at the Question, it is evident that most of the farmers come from Lari Division. Is the Minister aware that the under-enrolment in the primary school is as a result of insecurity

since about ten people were killed by Maasai herdsmen in that area?

Maj. Madoka: Mr. Speaker, Sir, I am not aware of the ten people killed by Maasai herdsmen.

Mr. Speaker: By the way, what is all this talk about Maasai herdsmen? Are they not Kenyans?

(Laughter)

Maj. Madoka: Indeed, they are, Mr. Speaker, Sir.

Mr. Maitha: On a point of order, Mr. Speaker, Sir. Is the Chair in order to enquire about the Maasai herdsmen when the Chair is a Maasai?

(Laughter)

Mr. Speaker: Order! Order! I do not think, Mr. Maitha, you have ever known what the Chair is, and if you do not know, you will find out very soon. The Chair has said from this Chair on several occasions that it will not allow Members to tribalise debate. That also includes a tribe called the "Maasai", wherever they are.

(Applause)

Mr. P.S. Kihara: Mr. Speaker, Sir, the reason why we are bringing the name of the Maasai into the debate is because they are occupying other people's land.

The question I would like to pose to the Minister is---

Mr. Leshore: On a point of order, Mr. Speaker, Sir. Is the hon. Member not misleading this nation by alleging that the Maasais are taking over their land, when we know that, that land belonged to the Maasai? Even the name "Longonot" is a Maasai name?

Mr. P.S. Kihara: Mr. Speaker, Sir, I think the days when the Maasais used to roam the plains freely with their herds of cattle are long gone and they must stop calling title deeds "hii ni karatasi tu hakuna kazi". That must stop because land belongs to people. Could the Minister assure this House that peace will be maintained in that constituency because the theatre of action has now moved from Mai Mahiu to Merera, Ndabibi and Ndemburu?

Hon. Members: He has already assured you!

Mr. Sifuna: Mr. Speaker, Sir, arising from the Minister's reply and the hon. Questioner's stand on the closure of the school, could we know who among the two is telling us the truth because the Minister is telling us that the school was closed down due to under-enrolment and the hon. Member maintains that the school was closed down because of insecurity caused by Maasai herdsmen?

Maj. Madoka: Mr. Speaker, Sir, I stand by what I said.

Mr. Speaker: Very well. Next Question.

Question No.248

DO FOR IGAMBANG'OMBE DIVISION

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

- (a) where the divisional headquarters of Igambang'ombe Division is situated; and,
- (b) since the residents of Igambang'ombe Division use a lot of money on transport to Chuka District Commissioner's office to consult their DO, whether he could post a DO to the divisional headquarters.

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

- (a) The divisional headquarters of Igambango'mbe Division is at Kathunguthe.
- (b) Their DO operates from Mbaria which was agreed to by the leaders. This is because the new district divisional headquarters is under construction. So, once the construction is over, they will move to this new divisional headquarters.

Mr. Mutani: Mr. Speaker, Sir, the Minister is misleading this nation by saying that the DO operates from Mbaria. I come from there and that is not the case. For sure, he is supposed to be operating from Mbaria but he has never been there. The people from Kajuki travel a distance of 35 kilometres to Chuka to consult their DO. Could the Minister make sure that the DO is stationed at Mbaria where he is supposed to be?

Maj. Madoka: Mr. Speaker, Sir, I will undertake to do that.

Mr. Speaker: Very well. Next Question.

Question No.375

ALLOCATION OF LAND TO MR. WEREMBA

Mr. Osundwa asked the Minister for Health:-

(a) whether he was aware that Makunga Heath Centre, in Mumias Division was built on private land belonging to Mr. Kweyu Weremba on the understanding that he would be compensated for it and that the said Mr. Weremba still holds the title deed to this land; and,

(b) what plans the Ministry had to allocate alternative land to Mr. Weremba in order for him to legally surrender his piece of land to the health centre.

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

(a) I am aware that Makunga Rural Health Demonstration Centre in Mumias Division, Butere-Mumias District was constructed on four acres of land LR. No.East Wanga, Isongo/421 donated by Mr. Christopher Kweyu Weremba in 1967. I am further aware that the health centre does not have a title deed for the land because the owner changed his mind and wanted to be compensated. Mr. Weremba wants compensation before surrendering the title deed to the Ministry.

(b) Since the health facility was put up to serve the health needs of the Mumias community, the health centre development committee in 1994 requested the District Commissioner in Kakamega to consider Mr. Weremba for land allocation in Lugari Division. This request was not granted because the land was only allocated to squatters in Lugari Division. Currently, there is no alternative land available in Kakamega district for allocation to Mr. Weremba, but my Ministry will continue looking for alternative land for Mr. Weremba through the District Commissioner.

Mr. Osundwa: Mr. Speaker, Sir, this facility was acquired by the Government in 1967 and the Government has all along promised to compensate the owner of this land. Now, recently the family requested to be given land in Lugari forest where land is being given to people who own land elsewhere. Could the Assistant Minister assure this House that the said Mr. Weremba is going to be given land in Lugari forest since the exercise is still going on?

Mr. Criticos: Mr. Speaker, Sir, yes, the DC has been instructed to look for alternative land. I would like to point out to the hon. Member that originally Mr. Weremba had donated his piece of land in 1967 but later on changed his mind.

Mr. Munyasia: Mr. Speaker, Sir, the DC who promised to give Mr. Weremba land has also acquired land in Lugari. So, land is available in Lugari Settlement Scheme. So, could the Assistant Minister ensure through maybe the PC now, since it is no longer under Kakamega District, to get Mr. Weremba land in Lugari, or in lieu of that, give Mr. Weremba money at the market value of land in Mumias so that he can look for land elsewhere and I am sure he will get this land in Lugari?

Mr. Sifuna: Say "yes" and sit down!

Mr. Criticos: Mr. Speaker, Sir, I will ask my PS to write to the PC in order for land to be made available.

Mr. Osundwa: Mr. Speaker, Sir, since we are now in the new year, could the Assistant Minister give to this House a time frame within which he is going to take action on this matter?

Mr. Criticos: Mr. Speaker, Sir, I will instruct my PS this afternoon to write the letter. If the hon. Member can come back to us in the next two weeks, I am sure he will get a reply.

Question No.309

TARMACKING OF MERU-MIKINDURI ROAD

Mr. Imanyara, on behalf of **Mr. Ndubai**, asked the Minister for Public Works and Housing:-

(a) whether he was aware that Meru-Mikinduri and Kianjai-Miathene Mikinduri roads were surveyed for tarmacking in 1989/90;

(b) if he was further aware that the same road has been allocated money for the last 10 years without any work being done on it; and,

(c) when the said road would be tarmacked.

The Assistant Minister for Public Works and Housing (Mr. Khaniri): Mr. Speaker, Sir, the answer that I was given for this Question was unsatisfactory and, therefore, I beg that the Question be deferred to Wednesday next week.

Mr. Anyona: Mr. Speaker, Sir, at least, I am glad the Assistant Minister has the honesty to own up and say that the answer is unsatisfactory. However, here is a Ministry which has prepared an answer and some terms of the Question were omitted and is supposed to advise and brief the Assistant Minister who mysteriously somehow discovers that the Question is unsatisfactory. Is it not the right of this Parliament to demand that both the PS, his staff and the Assistant Minister bring right answers to this House at the right time?

Mr. Speaker: Mr. Anyona, I thought that is exactly what the Assistant Minister is doing. I think this House has expressed its sentiments in the last few weeks and, I think, the Assistant Minister is being honest to the House that he is not happy with the answer and, therefore, wants to be given time to get a proper answer. I do not think there is anything better than that. What is your reaction, Mr. Imanyara?

Mr. Imanyara: Mr. Speaker, Sir, maybe, the Assistant Minister can tell us what he found unsatisfactory in the answer that he got.

Mr. Speaker: Order! Then there will be no point in deferring the Question because he says the answer is unsatisfactory to him. Why do we not leave it that way. So, can we defer the Question to Wednesday.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. I seek the guidance of the Chair on three related matters about these unsatisfactory answers. Over the past two weeks, I had a Question which was postponed twice because of an unsatisfactory answer and the answer that came through was the same that I had the first time. Secondly, the practice of this House has become that because we are very many and there are many questions, hon. Members can only raise one ordinary question a week. Now, some of us get our allotment for the next week displaced by unanswered Questions thus punishing the victim for ineptitude on the part of the Government. Thirdly, it should be expected of Government Ministers that they are party to the preparation of answers. They should oversee what their officers are drafting. How do we explain a situation where Ministers read answers for the first time when they come here instead of asking for further information for supplementary questions before they come from their offices?

Mr. Speaker: Well, I suppose I have not seen the answer. I will defer the Question and I urge hon. Ministers to make sure that when a Question is slated to be answered, please, do so. Maybe there will be instances where it is understandable and the answers to the Questions cannot be given quickly; for example if it leads to a road in Mandera, where it is difficult to access on the road. But I suppose there are also telephones in Mandera. Nevertheless, I defer the Question.

(Question deferred)

Question No.343

MAINTENANCE OF ROADS IN KIPIPIRI

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

(a) whether he was aware that the roads in Wanjohi, Kipipiri and Geta locations are currently impassable;

(b) If the answer to "a" above was in the affirmative, what urgent steps he is taking to ensure that the roads are adequately maintained; and,

(c) when the Olkalau-Miharati-Njabini Road would be tarmacked.

The Assistant Minister for Public Works and Housing (Mr. Khaniri): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware.

(b) The roads in Wanjohi, Kipipiri and Geta locations are included in the work-plan for 1998/99 for routine maintenance; namely, grading.

(c) There are no immediate plans to tarmac Olkalau-Miharati-Njabini Road.

Mr. Githiomi: Mr. Speaker, Sir, the roads in the three locations were seriously eroded by the *El Nino* rains. We have gone to an extent of telling the electorate to contribute money to be able to patch up the most affected portions of the road. So, the roads are in very bad condition. Now that the Assistant Minister has admitted that the roads are impassable, could he tell the House when he is actually going to repair those roads? Could he give the time frame, whether it is July, August or September?

Mr. Khaniri: Mr. Speaker, sir, as the Member correctly put it, I am aware that those roads were

adversely affected by the recent *El Nino* rains. That is why I have stated that we have put them in the work plan for the 1998/99 Financial Year which is starting today.

Mr. Gitonga: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to refuse to answer the question which was clearly put to him, that he should give the programme for the actual grading of that road? When is it going to start? Is it today or when?

Mr. Khaniri: Mr. Speaker, Sir, this is effective today. We are starting the current financial year today and as soon as money starts flowing in, we will implement our work plan.

Mr. Maore: On a point of order, Mr. Speaker, Sir. The roads in question happen to have been destroyed between October and January. You have a whole Government sitting and waiting for the allocations of the Financial Year, so that they can say they have it in their work plan. What should be in the work plan is the normal maintenance. Could the Assistant Minister say when he is going to mobilise resources to repair those impassable areas while he is waiting for the normal ones?

Mr. Khaniri: Mr. Speaker, Sir, I believe this is the same question I have answered three times.

Mr. Maore: No, you are not answering it properly.

Mr. Khaniri: I have said that we have just started the Financial Year. We have a work plan in the Ministry and as soon as money starts flowing in, we will implement our work plan.

Mr. Githiomi: Mr. Speaker, Sir, the Assistant Minister is evading a very clear Question. He is admitting that the roads are impassable. Now, I am asking him to tell the House, for how long are those people going to stay without roads? Is he going to start the repairs next week? When he says that the roads are going to be repaired, starting today, that is not true because as we are sitting here, the graders are not in Kipipiri. When is he going to take his graders or personnel there, to repair the roads? Is it tomorrow, the day after tomorrow or next month?

Mr. Khaniri: Mr. Speaker, Sir, I have no intention at all to evade any question from an hon. Member. This is the same question I have answered and I am going to answer for the fourth time. We have no money at the moment. But as soon as money starts flowing from the Treasury, we will implement our work plan.

Mr. Kihara: On a point of order, Mr. Speaker, Sir. Some of those roads have been done before the financial year. During the Kipipiri by-election, we had graders which were removed from there as soon as KANU lost. Where did the money come from at that time?

Mr. Khaniri: That was the 1997/98 Financial Year. Financial Years are not starting today.

Question No.242

REMOVAL OF PUMPS FROM NYAKACH WATER PROJECT

Mr. Odoyo asked the Minister for Water Resources:-

(a) whether he was aware that several pumps were removed from the Nyakach Water Project and that as a result, people in the area have not had clean drinking water for the past two months; and,

(b) what the Ministry was doing to bring back the high powered pumps, so that the supply of clean drinking water is restored.

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

(a) I am aware that one pump has been removed from the Nyakach Water Supply Project for repair. I am also aware that another pump was stolen in 1993 and it has now been recovered.

(b) My Ministry intends to bring back the pump immediately it is repaired and made serviceable. We also intend to replace old pumps with new ones, immediately funds are available. I appeal to the consumers of this water to assist the Ministry in safeguarding the water installation projects against vandalism and theft by unpatriotic Kenyans.

Mr. Odoyo: Mr. Speaker, Sir, the Minister has just consented that, for five years, we have had a problem. He has also agreed that he has no time limit. He has also shown that he has no funds yet, to repair one pump costs not more than Kshs20,000. The pump that was stolen in 1993 was stolen within the vicinity of the Ministry. The pump that was removed from Nyakach was done on a presidential order. Is the Minister telling the House that I need another presidential order for the same pump to come back? My other question---

Mr. Speaker: Order! Are you reading to the House some written documents or are you asking questions?

Mr. Odoyo: I am just asking questions, Mr. Speaker, Sir.

Mr. Chanzu: Mr. Speaker, Sir, I have said that one pump was stolen and the other is undergoing repair. I am not aware of the instructions the Member is alluding to.

Mr. Sungu: Mr. Speaker, Sir, being aware that this particular area is prone to cholera and typhoid, could the Minister frankly tell this House when the pump will be restored, so that the people can have clean drinking water?

Mr. Chanzu: Mr. Speaker, Sir, this will be done as soon as the pump is repaired. The other aspect of it is that we are arranging with the National Water and Pipeline Corporation to purchase some more pumps and instal them because we are aware of the problem the hon. Member is talking about. We are also aware that there is a problem of cholera in his area and it is being taken care of.

Dr. Ochuodho: Mr. Speaker, Sir, it has taken almost five years to have the pumps repaired. I think it would be important for the Assistant Minister to confirm to this House when it is likely to be completed. Could he also confirm or deny that a pump was transferred from Nyakach to Bondo?

Mr. Chanzu: Mr. Speaker, Sir, I am not aware that the pump was transferred as alleged by the hon. Member. I have already said that we are aware of the problem and we are attending to it.

Question No.355

PAYMENT OF COMPENSATION TO MR. AKECH

Mr. Ojode asked the Attorney-General:-

(a) if he was aware that Mr. Alphose Nyagilo Akech from Wayaga Primary School, East Kachieng' Sub-Location of West Kabuoch Location, who was involved in an accident, filed a case, No.HCCC 2683 at the Nairobi High Court in 1987 and was awarded damages of Kshs62,900 12 years ago which has not been paid to date; and,

(b) if he answer to "a" above is in the affirmative, if he could consider authorising this payment together with the accrued interest to Mr. Alphose Nyagilo.

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

(a) I am not aware because the dispute in the Question does not involve the Government or my office.

(b) In view of the answer to "a" above, part "b" of the Question does not arise.

Mr. Ojode: Mr. Speaker, Sir, the Attorney-General should be a serious person. The High Court is under the Government. It is not a private court. I have given case No.HCCC 2683 of 1987. Mr. Aketch had an accident, went to the High Court, and he was awarded damages to the tune of Kshs62,900.

Mr. Speaker: Against whom?

Mr. Ojode: Mr. Speaker, Sir, against the insurance company. Let me just finish---

Mr. Speaker: Order, Mr. Ojode! I want to guide you. The Attorney-General of the Republic of Kenya is only a legal adviser to the Government of Kenya and other governmental institutions. He is not a legal adviser to all and sundry. So, you must show the House, as a matter of fact, that, indeed, this matter follows under the responsibility of the Attorney-General rather, than a private advocate. What would stop, for example, your constituent from executing the decree in person?

Mr. Ojode: Mr. Speaker, Sir, that is a good advice, but listen to mine too. The High Court is under the Attorney-General. It had already awarded the damages and the money has already been paid to Mr. Aketch's advocates, namely Vora and Gitau Advocates. We have so many Questions pertaining to this kind of cases. Why can the Attorney-General not go and ask the court to give us the cheque, so that Mr. Aketch can be paid directly?

Mr. Speaker: Mr. Attorney-General, do you want to respond?

Mr. Ojode: Yes, he should.

Mr. Wako: Mr. Speaker, Sir, may be I better respond. The High Court is not under the Attorney-General's Chambers. The Judiciary in this country is an independent Department which is mandated to hear various types of disputes and arrive at rulings and judgements fairly, objectively and independently. Among the many disputes, there are disputes between individual persons and others involving the Government. If the disputes involve the Government, even I, as the Attorney-General, must go and appear before the court like any other person and defend the Government. This case does not involve the Government. The judgement was given against a Mr. Stephen Waweru. Hon. Ojode's constituent has a lawyer and if the allegation is that the lawyer has been paid and he has not paid that amount of money to his client, in terms of the Question, the issue of the Attorney-General authorising payments does not arise. The Attorney-General does not have that legal power.

If, of course, this House deems it fit that the Attorney-General should have that power, I will be glad for this House to confer to me those powers through an Act of Parliament. But as of now, I do not have the authority to

authorise anybody to pay. My advice would be that the client, if it is true that the advocate has received the money and not accounted to him, should report that matter straight to the police and also to the disciplinary committee of the Law Society of Kenya.

Mr. Imanyara: Mr. Speaker, Sir, arising from the answer to the first part of the Question, the hon. Attorney-General said that the Judiciary is independent. Is he suggesting that, a Question relating to the Judiciary cannot be brought before this House? If his answer is that he has not suggested so, is he in order to have refused to answer the Question the first time when it was asked and then given the answer later on? Could he tell us whether issues relating to the Judiciary can be raised in this House? Arising from your own ruling, that the Attorney-General is a legal adviser to the Government only, my understanding is that the Government consists of three arms: the Judiciary, the Executive and the Legislature. So, Questions relating to any arm of the Government can legitimately be brought before this House to be answered by the Attorney-General.

Mr. Wako: Mr. Speaker, Sir, God forbid the conclusion that this Parliament is under the Government, if we have to accept the interpretation of the hon. Member. It is not so much the Government which has three arms.

It is the state which has the three arms: the Executive, the Judiciary and the Legislature. Secondly, the Judiciary is independent. It does not mean that there will be nobody who will answer Questions touching upon it here in this House. If Questions touching upon the Judiciary are raised in this House, then the Attorney-General, as usual, will answer to the best of his ability. As to the question that I refused to answer, I think I answered when I said "Mr. Speaker, Sir, I beg to reply."

Mr. Wamalwa: On a point of order, Mr. Speaker, Sir. Is the Chair really going to allow the Attorney-General to continue misleading the House through semantics? He says that it is the State which has three composite parts of the Judiciary, Legislature and the Executive. Is that really correct? From what we know, it is the Government which has the three composite parts of the Judiciary, Legislature and the Executive. Is he in order to mislead the House that it is the State which has those three parts?

Mr. Speaker: What is the difference between the State and the Government?

Mr. Wako: Mr. Speaker, Sir, this is a very interesting discourse but, as I said, if you want Parliament to be under the Government, I am quite willing to accept that.

Mr. Speaker: Order! I may put this argument to rest. Ultimately, the power to approve or disapprove of a Question rests on the Chair. I think it is within the knowledge of this House that I have allowed, where appropriate, Questions to be asked of various courts if in my view, I think it is a legitimate Question that can be asked within the Standing Orders. I have always done that. I do not think I will allow anybody to hide behind semantics. But as for Mr. Ojode's Question, I think the unfortunate bit about it, is that it does not involve any Governmental organisations or Department of Government. It is purely an issue between a citizen and another, who can pursue that matter within the law through their own selves or advocates. I do not think the Attorney-General is actually instructed to take that action. To that extent, I think Mr. Ojode's Question is impracticable.

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

Mr. Speaker: Yes, what is it?

Mr. Ojode: Mr. Speaker, Sir, you know that each and every individual is entitled to his or her own opinion. That is your own opinion. But what I am saying---

(Laughter)

Mr. Speaker: Order, Mr. Ojode! To equate a ruling from the Chair with the opinion of Mr. Ojode is, really, to abuse this House. My ruling is not an opinion. It is a ruling which is, certainly, superior to your views. You will take note of that. Next Question!

(Mr. Ojode stood up in his place)

Sorry. Now, that is an order and not an opinion. Mr. Maitha's Question!

Question No.062

REFUND OF DEPOSIT TO MR. MNGWISHO

Mr. Maitha asked the Attorney-General:-

(a) why Mr. Mwalimu Mohamed Mngwisho had not been paid the Kshs60,000, AC/No.3104457, which he deposited with the Pioneer Building Society which has since been placed under receivership; and,

(b) when he would be paid his money.

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

(a) Mr. Mwalimu Mohamed Mngwisho opened an account with the Pioneer Building Society on 29th July, 1986. The amount involved was Kshs60,000. By 29th January, 1987, the Pioneer Building Society went under receivership. The account reflected a balance of Kshs64,559.30. On 12th August, 1997, the depositor was paid Kshs20,985, leaving a balance of Kshs43,584.30. (b) Currently, no payments are being made to depositors due to insufficiency of funds. But once the Official Receiver collects enough money, the depositor will be paid alongside other depositors.

Mr. Maitha: Mr. Speaker, Sir, I wish to thank the Attorney-General for his answer. However, I would like to know from him when Mr. Mngwisho will be paid this money. This is because the depositor is very poor. He is a retired old man who is sick and about to die. He would like to pay his hospital bill. When will he be paid the money?

Mr. Wako: Mr. Speaker, Sir, it is very difficult to say when he will be paid. This is because that will depend on the success of the Official Receiver in collecting enough money. But, as you can see, it took the Official Receiver almost ten years to collect enough money to pay Mr. Mngwisho and other depositors a proportionate amount of their deposits. Therefore, I am not very hopeful, to be frank with you.

Mr. Wamae: Mr. Speaker, Sir, would the hon. Attorney-General let us know whether Building Societies come under the Deposits Protection Act; and, if they do not come under this Act, whether they will be included in the Act so that depositors may not lose their money up to Kshs100,000?

Mr. Wako: Mr. Speaker, Sir, this is a matter which is under active consideration; that the building societies should also be considered as financial institutions so that they may come under the Deposits Protection Fund.

Mr. Sifuna: Mr. Speaker, Sir, the hon. Questioner says that the depositor is very old and is on the verge of dying. Could the Attorney-General be kind enough to pay this old man, on humanitarian grounds, whatever little amount he has on the account so that, at least, this old man can use this money to---

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

Mr. Speaker: Yes, what is it?

Mr. Ndicho: Mr. Speaker, Sir, are you satisfied with Mr. Maitha and Sifuna's assumptions that this man is about to die? What will he feel when he hears the radio announce that he should be paid his money before he dies? Is there anybody who should determine when this man will die? If I had an MP who brings a Question regarding me to this House and asks for my money on the pretext that I am about to die, I would rather not have that Question brought here. It is very bad for somebody to talk about another person's death.

Mr. Speaker: By the way, Mr. Sifuna and Mr. Maitha, on what basis did you say that this man is dying?

Mr. Maitha: Mr. Speaker, Sir, the man comes from my constituency. I visit him and, therefore, I know him well. That is why he gave me this Question to bring to this House. He is an old man. He told me that he got the money from his former employer as his retirement benefits, which he then deposited with Pioneer Building Society. He said he wants to get his money before--- You see, he is a sick man, and if you see him---

Mr. Sifuna: On a point of order, Mr. Speaker, Sir. Could the Attorney-General consider this man's case on humanitarian grounds since he is very sick and---

An hon. Member: How old is he?

Mr. Sifuna: I am asking the Attorney-General to be kind and pay this man whatever little money they have in their account before he dies, so that he can, at least, use that money.

Mr. Wako: Mr. Speaker, Sir, I am very kind, compassionate and sympathetic. But Mr. Mngwisho is only one out of 28,278 depositors. Quite a number of these may be in a similar position. The law says that we have to pay everybody equally, in proportion to the amount of money that will have been collected. I may add that the total outstanding amount of money owed to depositors, including Mr. Mngwisho's Kshs43,000, is Kshs172,620,914.40. Therefore, even if we collect Kshs500, to distribute that amount of money amongst all these depositors will not be worth it. So, unfortunately, we have to wait to collect enough money to be able to declare something to the depositors.

Mr. Speaker: Very well. Mr. Kiraitu Murungi's Question by Private Notice!

QUESTIONS BY PRIVATE NOTICE

DESIGNATION OF EAST AFRICAN AIR SAFARI

Mr. Murungi: Mr. Speaker, Sir, I beg to ask the Minister for Transport and Communications the

following Question by Private Notice.

(a) Is the Minister aware that the lives of Kenyan travellers have been put at risk by the designation of East African Air Safari Airways (EAASA) as a national carrier without first establishing its compliance with international air safety standards?

(b) Could the Minister inform the House the registration numbers and makes of the aircraft owned by it and the number of Kenyan pilots with jet aircraft experience employed by it?

(c) Could the Minister consider introducing amendments to the Civil Aviation Act to ensure transparent licensing and safety criteria?

The Assistant Minister for Transport and Communications (Mr. Obure): Mr. Speaker, Sir, I beg to reply.

(a) The East African Safari Air Limited, which is erroneously referred to by hon. Murungi as East African Air Safari Airways, has not been designated as a carrier. It has, however, applied to be designated as a national carrier on some routes on which Kenya Airways is not operating or has surrendered at the moment. The airline complies with international safety standards and, therefore, the lives of Kenyan travellers or any other travellers are not in any way at risk.

(b) The airline does not own any aircraft. The aircraft it uses are leased and their registration numbers are as follows: Boeing 767 EI-CJA with a capacity of 271 passengers; Boeing 767 EI-CJB; Boeing 767 EI-CIY; Boeing 767 EI-CLS; Boeing 767 EI-CMQ; Boeing 767 EICNS, and a Beech 58P with a seating capacity of six passengers.

(c) The pilots employed by the airline are known Kenyans who are working for the airline under the same lease agreement the airline has entered with the owners of the aircraft. This is acceptable in the air transport sector and under the International Civil Aviation Organization Regulations of which we are a Member. The Civil Aviation Act as it stands now, and the legal notices under it, provide for transparent licensing and maintenance of safety criteria and standards. There is, therefore, no need in our opinion, for the amendment of the Act at this stage. However, should the need arise, appropriate amendments will be introduced.

Mr. Murungi: Mr. Speaker, Sir, we are very concerned about the safety of Kenyans who will be travelling in the aircraft leased by the East African Safari Air Limited. We are also concerned about the manner in which the Government is handling the liberalisation of the international air transport sector. On the Assistant Minister's own admission, the East African Safari Air Limited does not own any aircraft. In fact, the nominal share capital of this company is only Kshs5 million. If this company does not own any aircraft, how does the Assistant Minister ensure that the company complies with international air safety standards for aircraft which he does not know?

Mr. Obure: Mr. Speaker, Sir, aircraft operations all over the world are controlled by the International Civil Aviation Authority. This is a United Nations Organization organ of which Kenya is a Member. This particular aircraft we are talking about is registered in a country which is also a member of this organization. In this type of business, I understand that it is normal business for these kind of operations to take place and there is a mechanism for ensuring that the aircraft is sound and safe for passengers. In this case, I do not think there is any major cause for worry because the Ministry of Transport and Communications, in conjunction with the International Civil Aviation Organization, will ensure that the safety regulations are strictly followed.

Mr. Ndicho: Mr. Speaker, Sir, can the Assistant Minister tell us why these aircraft have been leased to this company after being used in South-East Asia and European countries to Africa? Is he aware that the said aircraft are being phased out of South-East Asia and European countries to Africa? Can he tell us why he is allowing used aircraft to be leased by this company, given the poor navigation and air traffic controllers that this country has?

Mr. Obure: Mr. Speaker, Sir, I do not see the relevance of that question here. We are talking about the safety of the aircraft. Provided that the aircraft is certified---

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. The Assistant Minister has said that he does not see the relevance of my question. The gist of my question is, these are questionable aircraft leased by this company from South-East Asia and parts of Europe. They are being dumped in Africa. What is the criteria of checking the viability of these aircraft on the Kenyan airspace?

Mr. Speaker: Do you have evidence to support what you are saying?

Mr. Ndicho: Mr. Speaker, Sir, I have a lot of evidence. The latest aircraft which Kenya Airways bought from Korea and which was being repainted there is here now. It was cleared by the company which hon. Dr. Kituyi was talking about. We have all the documents! If you want more, we can give it to you.

Mr. Obure: Mr. Speaker, Sir, there is an international authority which has specified standards that regulate the safety of aircraft. As long as those standards are kept, I do not see why we should get worried.

Mr. Osundwa: Mr. Speaker, Sir, the Assistant Minister has said that the East African Air Safari Limited has taken over routes which could not be operated by Kenya Airways. Could he tell us who owns these aircraft so that we can remove the suspicion that our national carrier is being phased out of these routes to serve private interests?

Mr. Obure: Mr. Speaker, Sir, I said that the East African Air Safari Limited has applied to be designated as a carrier on certain routes. That permission has not been granted yet.

Mr. Maore: On a point of order, Mr. Speaker, Sir. Who are the owners of these aircraft?

Mr. Speaker: Order, Mr. Maore! When you stand up to ask who owns the aircraft when he has just said that permission has not been granted, what do you expect? Can there be any routes when permission has not been granted?

Mr. Murungi: Mr. Speaker, Sir, the Assistant Minister has avoided to answer the question on who owns the East African Air Safari Limited. Can he confirm or deny that the shareholders in this company are Mr. A.A. Kegode, Dr. P.S. Panitta, and Mr. W.H. B. Parkinson, and that Mrs. Kegode is the President's Personal Secretary at State House?

Mr. Obure: Mr. Speaker, Sir, the exact position is this: The names he has just mentioned were directors and shareholders of that company until March, 1998. At present, the majority shareholder is Mr. Anthony Kegode with Mr. Bakul Kothari as a director. Both of them are very enterprising Kenyans. I do not see anything wrong with any Kenyan conducting business provided, he does it in accordance with the Kenyan law.

Mr. Speaker: Very well. Hon. Members, I do not think it is fashionable any more for hon. Members to unreasonably drag the names of very innocent Kenyans on the Floor of this House. I think that is something which, in the end, will derogate the integrity of this House. So, can we live above pettiness?

Next Question!

ADMISSION TO KENYA SCHOOL OF LAW

Mr. Magara: Mr. Speaker, Sir, I beg to ask the Attorney-General the following Question by Private Notice.

(a) Is the Attorney-General aware that the Kenya School of Law has declined to admit over 300 Kenyan students of Law who graduated from foreign universities?

(b) Is he further aware that some of the students have attempted to join the institute for the last three years but in vain?

(c) Could the Attorney-General, as a matter of urgency, admit the students who have qualified?

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

(a) Yes, I am aware. However, only 158 of the applicants comprising of 70 applicants who qualified for admission last year, and 88 who passed the English Proficiency test in March this year are entitled to be admitted but have not yet been admitted to the Kenya School of Law.

(b) Yes, I am aware. But this is because they have not yet passed the proficiency test in English. The Council of Legal Education will give each applicant a maximum of four attempts to pass the English Proficiency test.

(c) All the applicants who have qualified and were entitled for admission will be admitted in September this year.

Mr. Magara: Mr. Speaker, Sir, this is a very serious issue which is affecting students who have spent over six years in college. The principal of Kenya School of Law has the dual responsibilities of being the secretary to the Legal Council and at the same time the Principal of the Kenya School of Law. Is the Attorney-General aware that these students are charged a fee before they are allowed to sit for this proficiency test in order to be admitted to the Kenya School of Law? That money is not receipted for and the amount is Kshs750 per student.

Mr. Wako: I am not aware of any money paid by any student applicant which is not receipted for. If there is evidence for that, then obviously, it should be brought to my attention. It should be specific evidence rather than generalised allegations. We shall investigate the same.

Mr. Githiomi: Bw. Spika, sina miwani lakini asante sana.

Mr. Speaker: Order! Order! Some Members are making it a habit of throwing little brickbats at the Chair. That habit must now cease. Take the Chair seriously and respect the Chair.

Mr. Githiomi: Thank you very much for giving me this opportunity, Mr. Speaker, Sir. I would like the hon. Member who had asked that Question to give some clarification to this House. When he says that some amount has not been received, is it corrupt money or is it money which is given through other means? He should be specific so that the Attorney-General can answer the Question.

Mr. Speaker: Order! Order! The Attorney-General will not answer that hypothetical question.

Mr. Mwiraria: Thank you, Mr. Speaker, Sir. I know that quite a large number of students who have not been admitted into the Kenya School of Law are graduates from countries such as India and so forth. The Attorney-General says that they have not been admitted because they have not passed the English Proficiency test. Are these examinations being set here or is it, what I understand to be the case; that those who went out of this country without the minimum university entry qualifications are being denied the right to go to the Kenya School of Law and therefore, pass and practice law in Kenya? Which is which?

Mr. Wako: Mr. Speaker, Sir, it is a bit of both. First, the Council of Legal Education does recognise degrees from some universities, be they from India, Europe, particularly, the United Kingdom and so forth. If somebody acquires that degree because the Council of Legal Education has examined the entrance qualifications of that university, the nature of the degree and so on, that degree is recognised here. Therefore, the students will be admitted subject to further examinations that they may sit as required by the Council of Legal Education. However, quite a number of students do obtain degrees from universities which are not recognised. They are not thrown off-hand but the Council of Legal Education does go into the nature of the universities, the qualifications and so on.

The reason why I said that it is a bit of both is that a number of these students from universities which are not recognised by the Council of Legal Education, mainly universities in India, went to India after failing to get the requisite qualifications for entrance to an LLB course in Nairobi university or other recognised universities. One of the qualifications which you must show before admittance is that you must first have passed an English Language test.

Mr. Magara: On a point of order, Mr. Speaker, Sir. Is it in order for the Attorney-General to state that one of the qualifications for allowing someone into the Kenya School of Law is English, while we know that even though the principal of the college passed English, he was a failure in Law studies in Kenya? We know that he lobbied for that post!

Mr. Speaker: Order! Order! I honestly do not know whether you truly wanted an answer to that Question or you have something against the principal of the Kenya School of Law. But, once a Question is before the House, it ceases to be yours and becomes the property of the House. This House is entitled to hear what the Attorney-General has to say, whether or not you like it. He was in the middle of giving the House a response to a legitimate Question by hon. Mwiraria; the reasons why certain candidates are allowed while others are not allowed to sit for those examinations. He is entitled to say that and the House is entitled to listen. Do not be in the habit of preventing a Minister from giving a whole answer, maybe, because it is against what you want to hear. Can you proceed, Attorney-General?

Mr. Wako: Thank you, Mr. Speaker, Sir. First of all, let me defend the principal of the Kenya School of Law who has excellent qualifications and experience to hold that position. The principal was in fact ahead of me at the University and I know that he passed with flying colours at "O" and "A" levels. He passed highly at the university of Dar-es-salam with an honours degree. He got a scholarship to proceed with further education and got a Masters degree in Law from the United States of America. He has lectured extensively at the university of Nairobi. I consider it a privilege that a person of that calibre should be heading the Kenya School of Law at a very difficult time in the history of the Kenya School of Law. Other people would have run away from the Kenya School of Law, but because of his patriotism he has said that he must make his contribution to--

Mr. Murungi: On a point of information, Mr. Speaker, Sir. I wish to confirm what the Attorney-General is saying, that the principal of the Kenya School of Law, Mr. Leonard Njagi, is one of the most brilliant lawyers in this country and that he taught people like the Speaker of the National Assembly and others, including the shadow Attorney-General.

Mr. Speaker: Order! Order! Can we now leave the person of the learned principal of the Kenya School of Law and come to the students?

Mr. Wako: Mr. Speaker, Sir, as I was saying, one of the conditions for admission to the Kenya School of Law is that one must have obtained a minimum grade of B plain in English Language in the KSCE or its

equivalent. Many of those who went to the other universities did not have a plain B or above. In fact, most of them had mean grade of B or C- and some scored "F-9" under the old system. As you know the English Language is very important in the practice of law. The language used in the courts is English. All legal documents and written opinions are in English. So, if a student is very poor in English, it may be very difficult for him to give effective service to his clients. Therefore, the Council of Legal Education rightly sets high premium on passing the English Proficiency test. They did not close out these students completely. Although a student may have obtained a B or C-, if he can pass this proficiency test, he will be admitted.

For example, in April this year, out of 173 students who sat for the proficiency test, 88 passed and 85 failed. It is those who passed the test whom I am saying are going to be admitted in September this year.

Dr. Omamo: Mr. Speaker, Sir, I have a lot of respect for the Kenya School of Law because my two daughters have passed through that school. But before Kenya attained Independence, there was a lot of bias on the part of the colonial rulers about degrees from other countries. I, personally, suffered initially because of that bias. If we take proficiency in English as an example--- The Attorney-General, as a father, knows that human beings, like plants, flower at different times.

(Laughter)

Mr. Speaker, Sir, some of the plants flower late, and when they flower late, their bloom is as attractive as that of the ones that flowered earlier. A student living---

Mr. Speaker: Can we come to the blooming now?

Dr. Omamo: Now that, that picture is clear, could the Kenya School of Law take this point into consideration, that a student who had a weak pass in English, but has flowered overseas and participated in college debates and so on and so forth, when he or she comes to Kenya, he or she should be treated as an individual? English as a language should not be the major criteria for giving him the green light or not to practise in Kenya or to join the Kenya School of Law. Could the Attorney-General take this point into consideration that, some students flower late in English proficiency?

Mr. Wako: Mr. Speaker, Sir, I was just looking around the House and I note that there are no flowers anywhere around. But I can assure the House that the Council of Legal Education took into account that plants and even people do flower at different times and when they flower, it is so apparent that everybody sees joy in that flower and that is why the Council of Legal Education said that it cannot penalise these people merely because they got a grade below "B" sometimes four, five or six years ago when they sat for their "O" Level examinations. So, they said "let us give them a test now, six years later, so that their beautiful flower maybe seen when they pass their examinations." They have even gone further and said; "even if they cannot show the flower now, in a year's time; or so, they may well flower." That is why the Council of Legal Education gives them a chance of four times to pass that particular examination.

BILLS

First Readings

THE FINANCE BILL

THE RETIREMENT BENEFITS (AMENDMENT) BILL

THE LOCAL AUTHORITIES TRANSFER FUND BILL

*(Orders for First Readings read -
Read the First Time - Ordered to be
read the Second Time tomorrow)*

The Assistant Minister for Finance (Mr. Arap-Kirui): Mr. Speaker, Sir, under the provisions of Standing Order No.101 A (1), I beg to move that The Finance Bill; The Retirement Benefits (Amendment) Bill and The Local Authorities Transfer Fund Bill be referred to the relevant Departmental Committee.

(The Finance Bill; The Retirement Benefits (Amendment) Bill and The Local Authorities

Transfer Fund Bill were referred to the Finance, Planning and Trade Committee)

MOTION

ADOPTION OF SEVENTH PIC REPORT

THAT, this House adopts the Seventh Report of the Public Investments Committee on the Accounts of State Corporations laid on the Table of the House on 22nd April, 1998.

(Mr. Kapten on 10.6.98)

*(Resumption of Debate interrupted
on 10.6.98)*

Mr. Obwocha: Mr. Speaker, Sir, when I was on the Floor, I was talking about general corruption that has made many of our institutions and parastatals fall. I have a case here, which I want the Minister to investigate, particularly, the Minister in charge of the Immigration Department and the issuance of National Identification cards, where a birth certificate was forged. The original birth certificate bears the name of a Miss Anna Wambui ID/No.1159172, issued on 12th, September, 1996, but it was altered and given to a Mr. Kuramu Shasad Anwar on 20th August, 1997. It was issued at Parklands Nairobi, with a serial No.2664190.

Mr. Speaker: Is that in relation to this Report?

Mr. Obwocha: Yes, I was talking about corruption and I was---

Mr. Speaker: But how does it come into this Motion?

Mr. Obwocha: I am going to substantiate the existence of corruption, where people have been issued with passports without Kenyans knowing what---

Mr. Speaker: Order! Order, Mr. Obwocha! You know that we are debating the Seventh Report of the Public Investments Committee. Therefore, as a Member of that Committee, I hope you were, or any other Member for that matter, you must direct your arguments towards the Report and the recommendations to the House from that Committee. It does not mean that, because in one page of the Report of the Public Investments Committee, maybe, a public servant in a corporation is reported to have been involved in corrupt deals, it allows you to take the liberty of generally talking about corruption everywhere. So, can you stick to the rule of relevance? Whatever document you want to lay on the Table of this House must relate to a recommendation or a finding of that Committee. Mark you, also, you cannot adduce evidence on the Floor of this House which you did not adduce to the Committee. So, you must confine yourself to the Report and recommendations. I would like to know what page you are referring to.

Mr. Obwocha: Mr. Speaker, Sir, in the first instance, I was not a Member of the Public Investment Committee. How would I have adduced evidence in that Committee when I was not a Member?

Mr. Speaker: Mr. Obwocha, you can always go to a Committee and give your evidence.

Mr. Obwocha: Mr. Speaker, Sir, some of the employees have gone ahead and formed companies that are defrauding state corporations huge sums of money. I said that I was going to substantiate this. This is in relation to the Kenya Posts and Telecommunications Corporation. I do not know what wrong I have done.

Mr. Speaker: Order! Order! The whole idea of debating the Report is either to support it or to urge the House to reject it. There are several ways of either persuading the House to accept the Report or to reject it. It is by pinpointing instances where the Committee found evidence to support the reason why a certain recommendation in that Report was made or lack of evidence on the recommendation by the Committee that we persuade the House to accept or reject the Report. So, what is before the House, Mr. Obwocha, is whether or not the Report of the Public Investments Committee presented to this House should be accepted or rejected. You should be making references from that Report and find reasons why we should support or reject it. It is not incumbent upon you or any other Member to adduce evidence on the Floor of the House to fill in the Report of a Committee, of which you were not a member in the first place. So, you will be restricted by the rule of relevancy to the findings of that Committee and you support or reject them. That is my ruling.

Mr. Obwocha: Mr. Speaker, Sir, I am on page one of the Report which talks about the Kenya Posts and Communications Corporation where people have formed companies to defraud corporations. I was giving an example of another one---

Mr. Speaker: Very well!

Mr. Obwocha: Mr. Speaker, Sir, this man formed a company called Organic Limited and I wish to table a copy of the license he got, not forgetting that he is not a citizen of this country. When we investigated the matter, we found out from the Office of the President, Civil Registration Department, that they had not given this person a birth certificate and a passport. It is also clear that foreigners are not allowed to form companies and trade in this country.

Mr. Speaker, Sir, this company is situated on the 11th floor of Nation House. When you want to see this man, you cannot see him because he locks himself in an advocate's office which is said to belong to an agent of an embassy here. Where are we going, Mr. Speaker, Sir? I wish to table these documents so that the Minister can investigate this case properly. These are the forged birth certificate, correspondence between the Director of CID and the Principal Registrar and fingerprints to determine the holder of the identity card.

(Mr. Obwocha laid the documents on the Table)

Mr. Speaker: I am really lost, Mr. Obwocha. May be, I am not quite following you.

Mr. Obwocha: I am saying, Mr. Speaker, Sir, that this man---

Mr. Speaker: Order! Order! I am lost as to how an individual's finger prints and the findings of the (PIC) relate. Honestly, I cannot follow what you are saying. Are you really relevant?

Mr. Obwocha: Mr. Speaker, Sir, I am illustrating to the Minister how this man was able to forge an identification card, get all these documents and even register a company. I am giving him all the documents.

Mr. Speaker: Which Minister are you referring to?

Mr. Obwocha: I am referring to the Minister who is in charge of registration, passports and immigration.

Mr. Speaker: Mr. Obwocha, what page of this Report is the Immigration Department found? Do we really have---

Mr. Obwocha: Mr. Speaker, Sir, I do not know why you are so hostile to me today, but I know I have been---

Mr. Speaker: Order! Order! I am hostile to the habit you have recently formed. It is actually not you, it is your habit that the Chair is getting hostile at. Out of the blues, you become irrelevant and then you lay papers on all manner of things. So, this is why I am insisting that all Members must be relevant. If you have relevant documents that will support, for example, corruption in the Kenya Posts and Telecommunications Corporation or any other corporation that is named in that Report, go ahead and do it. But do not just go out there, come into this House, get to the Table and talk irrelevant things. As far as this Motion is concerned, any forgery of documents in the Immigration Department is not relevant to the PIC. Unless, of course, you wanted just to show that there could be corruption. That is not something that you should spend a whole afternoon on. If we do have a Motion on the Office of the President, which is likely to come soon, under which the Immigration Department falls, you will be very relevant to attack the Immigration Department and lay all those documents on the Table. It will be very relevant. I am only advising you so that we can concentrate on the matter before us now. If there are other things that you want to talk about, wait for the relevant occasion. I am sure that it will not take you a week before something about the Office of the President comes up. Then, you will be very relevant and I will oblige you all the time.

Mr. Obwocha: Mr. Speaker, Sir, the Chair has taken half of my time and I do not know how I am going to be compensated. I was on page one of the Report, on Kenya Posts and Telecommunications Corporation and I was illustrating how shady deals have been done, including the formation of companies even by non-Kenyans. That is why I tabled these documents.

Mr. Speaker: Very well!

Mr. Obwocha: Mr. Speaker, Sir, the last point I want to make is on the acquisition of land and buildings by KP&TC. On this matter, the PIC recommended the following, and I quote:

"The Committee recommends that disciplinary measures, including surcharge in accordance with section 19 of State Corporations Act (Cap 446), should be taken against the then Chief Executive for failing to obtain prior approval of the Board when buying the two plots. The Committee further recommends that the Chief Executive should furnish the Attorney-General with all relevant information regarding the purchase of the two plots in order to enable it initiate investigations into this case and institute criminal proceedings against *Mr. Geoffrey Chege Kirundi* and *Lucy Wamaita Chege*, the Directors of Benja Investments, the then Chief Executive, *Mr. Kipng'eno Arap Ngeny* and any other officers involved in any fraudulent

activities related to this transaction.

The Committee also recommends that Messrs Kirundi and Company Advocates be reported to the Law Society of Kenya Complaints Commission for unprofessional conduct".

Mr. Speaker, Sir, this is a common problem, which is facing many of our state corporations. Some chief executives collude with some of the advocates to defraud state corporations. They do this by ensuring that their corporations buy land which is worthless at a high price. This is done because some chief executives want to make money from deals. Many of these state corporations have lost a lot of money. I cannot understand why the Attorney-General has not prosecuted many of these people.

[Mr. Speaker left the Chair]

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

Before auditors come up with this kind of report, they peruse through documents which are available. But if you ask the Attorney-General to prosecute somebody he will tell you that he does not have enough evidence. Are there no vouchers? Where did the auditors get this information from? We are pleading with the Attorney-General to prosecute these people. They should be made to refund public money which they have embezzled.

With those few remarks Mr. Temporary Deputy Speaker, sir, I beg to support this Motion.

(No hon. Member stood up to speak)

The Temporary Deputy Speaker (Mr. Imanyara): Should I take it that there is no hon. Member who wants to contribute to this Motion?

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Temporary Deputy Speaker, I want to add my voice to the debate on the findings of the PIC. The findings of this Committee leave a lot to be desired. It is the same Report, year-after-year. The amount of money that is invested in these parastatals belongs to the tax payer. It is high time that the tax payer's money was protected. Mr.

Temporary Deputy Speaker, Sir, we know the history behind Government investment in state corporations. At Independence time, the Government established the Industrial Development Corporation (IDC). This body eventually became the Industrial and Commercial Development Corporation (ICDC). The reason for establishing this corporation was to help indigenous businessmen to get into business. This Corporation did a good job because there was a revolving fund from which indigenous businessmen started their businesses. In the year 1965 through to 1970, the IDC, as it was called at the time, helped a great number of indigenous businessmen to venture into business. Therefore, the Government did a good job to invest in the IDC because it helped Kenyan businessmen to compete with foreigners. The Kenya National Trading Corporation (KNTC) was also formed about that time. It was also meant to help indigenous businessmen and deal with manufacturers, who detested African businessmen. That was the legitimate reason why the Government invested in parastatals.

Mr. Temporary Deputy Speaker, Sir, we made mistakes later. The first mistake was to utilise appointments to these public corporations as a reward to politicians who were defeated during the general-elections. If you happened to have been a Minister and then you lost in a general election, you were rewarded by being appointed as a Managing Director of a certain parastatal. The people who were appointed to head these parastatals found that, that was a conduit through which they could make money. We should have restrained from this habit so as not to misuse tax payer's money. In most cases, money was invested in a state corporation without first carrying out a feasibility study. We all know that when you want to start a business, it is necessary for you to carry out a feasibility study. This will tell you whether that business is viable or not. As it happened, quite a number of state corporations were not viable.

Mr. Temporary Deputy Speaker, Sir, although many corporations were viable, the people who were running them did not follow the recommendations that were contained in the feasibility study. This was because most of the people who were appointed to the positions were not qualified. The Government should have no business going into business. The Government should govern, which is its business. When governing it should create an enabling environment for business. This will enable the business people to carry on their business. The Government should maintain peace and security in the country. If there is peace and security in the country, investment will be carried out properly. Above all, the Government must create infrastructure in order to encourage investment.

At this time of economic difficulties, it is essential that we should sell off some parastatals. But such

corporations should be sold off at the correct price. Mr. Temporary Deputy Speaker, Sir, there are many organizations that are ready to take over many parastatals and run them properly. We know, for instance, that there have been organizations that were owned by Government, but which were sold to private entrepreneurs and are now making profits. It is therefore, essential that the parastatals which have been left, be sold off. But they must be sold in a transparent manner. There must not be private treaties. Any parastatal that has to be sold off, should be advertised properly, extensively and let people compete for it, so that the highest bidder wins. The reason for this is because we would like the Government to get as much money as possible from the parastatals.

Mr. Temporary Deputy Speaker, Sir, right now, I can think of no better parastatal which is consuming a lot of taxpayers money than the Kenya Railways Corporation. We know that a section of the Kenya Railways Corporation line from Nairobi to Magadi has been sold off to private entrepreneurs. I cannot see any reason why the entire Corporation cannot be sold to private entrepreneurs by using the stock exchange. Kenya Airways, for example, was sold to the public, and it was over-subscribed. Even though, at the moment there may be hiccups that are causing the value of the shares of Kenya Airways to come down from the original value, Kenya Airways is making money and indeed, it will soon be paying out dividends. The value of its shares will start rising soon.

Mr. Temporary Deputy Speaker, Sir, from that example, I would like to recommend very strongly that the Kenya Railways Corporation be sold to the public. If it is sold to the public, we will be doing several things at once. First, we will be saving the taxpayer's money, and secondly, this will bring efficiency to the running of Kenya Railways.

Mr. Temporary Deputy Speaker, Sir, quite a number of countries have now privatised roads. I would like to suggest that the Government can do much better by privatising the major roads, so that private entrepreneurs can improve those roads. While doing that, the Government can retain a small share-holding for the purpose of getting dividends from time to time, and perhaps, also for certain controls.

Mr. Temporary Deputy Speaker, Sir, I would also like to suggest that the Government gets out of banks completely. I know they have started to do so by selling out their shares in Kenya Commercial Bank and the National Bank of Kenya, to the public. I would like to suggest that the Kenya Reinsurance follows suit. We know that insurance companies are organizations which if in private hands, and properly run, make money. I would suggest that the Government gets out of Kenya Reinsurance Company. The role of the Government is to govern, and it should encourage and implement privatization.

Mr. Temporary Deputy Speaker, Sir, energy is another sector which the Government should now be moving out of. We now have the Kenya Power and Lighting Company being split into two. We would like the Government to sell its shares in those companies. In other words, as much as possible, we would like the Government to get out of investments. This way, corruption will cease from our vocabulary. Because, people who will be running these companies will be doing so for themselves and there will be no opportunity for people in Government to run corporations.

Mr. Temporary Deputy Speaker, Sir, if we have to succeed, we have to do everything we can to reduce interest rates. Interest rates have discouraged the investment climate in this country a great deal. Right now, we know that many of our people who---

QUORUM

Mr. Kathangu: Jambo la nidhamu, Bw. Naibu Spika wa Muda. Singependa kumkatiza mhe. Awori, lakini inaonekana kwamba hatuna kiwango cha mkutano.

The Temporary Deputy Speaker (Mr. Imanyara): Yes, we do not have a quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): There is a quorum now. Proceed, hon. Awori.

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Temporary Deputy Speaker, Sir, I was talking about the high interest rates that are charged by commercial banks, that are inhibiting investments. There are quite a number of indigenous people who have got some money to put in the manufacturing industry. But they find that they cannot borrow adequately to go into the manufacturing industry because the interest rates charged will make it impossible to operate profitably. They would rather go and buy Treasury Bills, which give them a yield of between 21 and 25 per cent. Those are the people who make some money through investing in Treasury Bills. But this is not helping at all because Treasury Bills do not increase the number of people in employment. I would like to see the Ministry of Finance, the Central Bank and

the country at large doing everything possible to bring down the interest rates, so that our people can borrow money for manufacturing, farming or any other service industry.

For instance, I know of a young company that would like to go into the manufacturing of tiles. It cannot borrow money at the rate of 30 to 34 per cent and expect to make anything out of it. Unless we invest in manufacturing, agriculture or tourism, we will not be able to deal with the unemployment problem that we are having.

Finally, we have heard a lot about misdeeds by the investment parastatals. It is time that Parliament and everybody else took the findings of the Public Investments Committee (PIC) seriously. Anybody who has ever been in charge of a public corporation and been found to have misused funds should be surcharged and punished. This is because the findings are brought here every year, and they are either accepted or rejected, and nothing else is done. I strongly recommend that officers in public corporations who have been found guilty of malpractices should be punished.

With those few remarks, I beg to support.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, this is a very important matter in terms of investments. This is because the PIC is charged with the responsibility of verifying what the Government has actually invested. A lot of public funds are invested in this country. These funds are not well looked after. We have so many parastatals that have misused public investments and this is money got from the taxes that are paid by the public. But these funds are not checked properly or invested wisely. I am worried by the number of parastatals that have gone under, despite the fact that qualified personnel have been deployed there. Why does this happen? This is because of deliberate mismanagement and unqualified personnel who run the organisations.

I would like to concur with hon. Awori that the rate of interest rates in this country needs to be checked and re-checked severally. So long as we continue to have high interest rates, it will be very difficult for companies to operate. Their profits will only service the high interest rates. As hon. Nyachae said in the Mombasa meeting, a quarter of what the Government gets from its investments goes back to service the interest rates. High interest rates cannot achieve anything in terms of development. We pay the high interests because we have over-borrowed. Interest rates in other countries are very low. Investors are now borrowing money from outside because the interest rates there are much lower than we have here. This is caused by the fact that the Central Bank is able to offer high interest rates than any other commercial banks. I hoped that after the meetings at Mombasa and Mbagathi, the Minister would have been able to control the Central Bank. They should be given a fixed interest rate to adhere to. I thought that, that would be the end of the introduction of Treasury Bills, but the other day, there was an advert in the newspapers by Central Bank, inviting more tenders for purchase of Treasury Bills. We resolved to stop the issue of Treasury Bills here in Parliament, and in the Mombasa and Mbagathi meetings. These sentiments have been raised by every hon. Member and yet, the Central Bank still continues to invite more tenders for the purchase of Treasury Bills. When will this stop? It must be stopped immediately! The Budget is read to be effected immediately, except for referred cases.

The Assistant Minister for Finance (Mr. Keah): On a point of information, Mr. Temporary Deputy Speaker, Sir. I wish to inform hon. Mwenje that while we appreciate the reasoning and the need to stop all the Treasury Bills, the necessity to continue for sometime is due to the fact that we do not collect all the revenues at one go, to enable the provision of services by various Ministries. So, for sometime, it is imperative to continue with the mechanism of borrowing, while we wait for the revenues to flow in.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I thank the Assistant Minister for the information. I do appreciate that the Government is in a crisis since there is no money. But at the same time, it would have been better to try and speed up the collection of dues to the Government, rather than to borrow again. This is because we will come back to the same thing. When the Assistant Minister says "for sometime", it can be two years, or even a very long time. It would be better if the Ministry of Finance speeds up the collection of Government revenue. But when you borrow again, you will create another interest for sometime. This means that we will go round and round.

The Assistant Minister for Transport and Communications (Mr. Obure): On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Mwenje has just said that the Central Bank had recently put an advert in the newspapers, inviting the public to tender for Treasury Bills. What I saw is that the Central Bank was inviting applications for Treasury Bonds and not Bills. Is he in order to mislead the House?

Mr. Mwenje: The Assistant Minister has already admitted that, that is true. This is another Assistant Minister in a different Ministry. I hope that the two Ministers will meet somewhere and sort out the problem. In any case, the end results of Treasury Bonds and Treasury Bills are almost the same.

The Assistant Minister for Public Works and Housing (Mr. Obure): On a point of order, Mr.

Temporary Deputy Speaker, Sir. I had risen earlier on a point of order and asked the hon. Member to stop misleading this House. As far as I know, the Central Bank invited bids for Treasury Bonds, and there is a big difference between the two. I am raising this point of order in my capacity as the Member for Bobasi, and I would like the hon. Member to stop misleading this House.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, if there is anybody who is misleading this House, it is that Assistant Minister. The truth of the matter is that both the Treasury Bonds and Treasury Bills mean borrowing from the public. If he does not know what that means, I will lend him my professional advice as a banker.

Mr. Temporary Deputy Speaker, Sir, I beg to continue. I hope that the Ministry of Finance---

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Mwenje: The big fish wants to explain: I am prepared for it.

The Minister for Finance (Mr. Nyachae): I think the hon. Member is still misleading this House because there is a big difference, as my colleague has said, between Treasury Bills and Treasury Bonds, particularly with regard to the mechanism of managing that money. If the hon. Member is a banker, then he is totally unaware of how money is transacted between banks and the Government.

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! Mr. Mwenje, you can take that as a point of information.

Mr. Mwenje: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I will take it as information from my colleague, the son of Nyandusi. We must be careful about the high interest rates because if we are not careful, we will continue singing the old song, that this kind of thing is discouraging development in this country. It is simply a liability, and I hope this will stop. Now that we have passed all the necessary mechanism for the collection of taxes, let them go ahead and collect them so that this Government can move. As we said the other day, I hope the Ministry will take serious note of what we have all been saying about payment of high interest rates, which are discouraging investment.

Mr. Temporary Deputy Speaker, Sir, we have been collecting a lot of money which is expected to offer us services. I think the Ministry, as we said---

The Temporary Deputy Speaker (Mr. Imanyara): Order! It is not the intention of the Chair to interrupt any hon. Member, but as the substantive Speaker ruled, we need to be relevant. We are discussing the Report of the Public Investments Committee (PIC) on the accounts of State corporations laid on the Table of the House on 22nd April, 1998. I think, if you are referring to that Report in relation to the Budget, then you would be relevant. But if you are discussing the Budget Speech, it is not relevant to the PIC.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, this is very relevant because one of the biggest buyers of these Treasury Bonds and Bills are the State parastatals. They are the ones who are affected by the high interest rate, and that is why a number of them have fallen. The public has invested mainly in these parastatals and they are public companies. Some of them have been sold, but I am not satisfied by the manner in which some of them had been disposed of. I hope they will operate profitably, because they have been privatised.

I want to comment on the Kenya Power and Lightening Company (KPLC), which is also a State parastatal where the public has also invested. Up to now, many areas of this country are not supplied with electricity, and yet, this company can operate commercially. I would like to appeal to the KPLC not to depend on the allocation from the Treasury, but should operate commercially to support its own operations. It can derive its own funds to enable it supply electricity to every Kenyan. Up to now, they are not able to supply electricity despite the fact that the consumers are willing to pay for it, apart from some rural areas where there is the Rural Electrification Programme. I think it is still possible for the KPLC to charge these consumers. Why should the KPLC claim that they are not able to supply consumers with electricity? They have been giving us the flimsy excuse of shortage of water as the main reason for rationing electricity. But now we have excess water from the *El Nino*. We should not only be complaining about the *El Nino*, but take advantage of that water and supply electricity to all parts of this country. That water should be harnessed to boost the production of electricity. I would have expected the KPLC to take advantage of this extra water, because soon or later, when the drought comes, they will tell us again that there is shortage of water. The common man will think that we are not managing the resources of this country. I would, therefore, ask the KPLC to take advantage of that water, before it starts drying up, and supply our people with electricity, because they are willing to pay for it. I am glad the hon. Nassir agrees totally with this idea.

Mr. Temporary Deputy Speaker, Sir, the National Housing Corporations (NHC) seems to concentrate more on the rural areas. I want to speak for the urban areas and particularly for the city, where I represent the largest constituency in this country. The NHC should also come into the city and assist the Nairobi City Council, which is unable to put up enough houses for our people. This parastatal can also operate commercially. Nairobi

residents are suffering because of the unscrupulous landlords who are putting up houses and charging exorbitant house rents. It is difficult to rent a house here. If the NHC would put up houses either for tenant purchase or for rental, they would make money for themselves, and they would also assist the residents of Nairobi. We do not have to continue with the shanties which we have in Kayole, Soweto, Mathare and so forth. Why is the NHC not coming up? It is a public body. It only concentrates on few areas in the rural areas. They should come up with a solution rather than just assisting a few selected individuals from upcountry. Let them come here where the demand is high and put up houses. I hope the Minister for Public Works and Housing will be told that there is good business here, and the NHC should exploit that business.

Mr. Achola: On a point of order, Mr. Temporary Deputy Speaker, Sir. Despite your kind reminder to hon. Mwenje, I think he is completely out of the Motion we are debating. In this circumstance, is it right for him to continue debating generally on issues that are not in the Report?

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I am not generally talking about things which are not contained in the PIC Report. I am talking of things which are in the Report and that is the National Housing Corporation. It is there. I have read it and noted it down. I am not irrelevant. I am very relevant, but just because my hon friend comes from upcountry, maybe, that is why he does not want the National Housing Corporation to expand its services to the City. It should do so.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. What hon. Owino Achola said was accurate. The hon. Member for Embakasi, who also happens to be a remote Member of mine, because I have created employment for his people over there, is accusing the National Housing Corporation that it is not operating in Nairobi. He is misleading the House. Very recently, we have had a dispute between the City Council and the National Housing Corporation because the National Housing Corporation put up houses here in Nairobi and the City Council took them over and they are not repaying their loans. That is why the National Housing Corporation complained, and things came out in the open. Therefore, he should not mislead this House that the National Housing Corporation has never put up any investments in the City.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, unfortunately the Minister for Finance does not understand what I am talking about as of now. The houses that he is referring to are over 30 years old. The estate that is in dispute is a very old estate. All that I am doing - I am not complaining - is that I am advising the Minister because, according to the Public Investments Report (PIC) Report, they have not invested for the last number of years. Do you know how old Madaraka estate is? It is a very old estate. So, I am happy to hear the Minister for Finance saying that he has created employment in Embakasi. I agree. However, where are those people who are working there residing? They have no accommodation. The National Housing Corporation does not even have a single project in Embakasi and yet Nairobi is growing, especially around Embakasi and other parts of Eastlands, which I represent. It is true that the Minister employs a lot of people who have nowhere to live. That is why I have to speak for them because this Report talks about how the National Housing Corporation is investing. We want to advise them on how to invest in this city because we are the pioneers. We know the city more than anybody else including even the Minister who is investing there but who does not know where these people live. That is why we have to advise him on where the people should live.

Mr. Temporary Deputy Speaker, Sir, I am only appealing to the National Housing Corporation to, at least, not live in the old times, and start putting up houses in the City and to finance our people to develop. I wish I saw them financing the Minister to put up houses for the employed there and I would clap and acknowledge what they would be doing there. That is all that I am advising them to do and I hope they have heard. I hope they will do that.

Mr. Temporary Deputy Speaker, Sir, the other worrying area pertains to the Nyayo Tea Zones. They are contained in the Report. These tea zones are dying. That investment is not checked again. A lot of money was invested in it, as is mentioned in that Report. I cannot get the actual figure indicated in the Report, however, those tea zones are now dying.

I visited one or two tea zones for my own interest and saw that the tea bushes growing in these areas are now dying. They are no longer looked after. Who is responsible for them? I hear that there is a chairman of the tea zones. What is he doing? What is this Committee doing? What are they inspecting, because these areas are not checked? They should earn money for the Exchequer so that hon. Nyachae can be able to assist this Government. However---

The Minister for Home Affairs, National Heritage, Culture and Social Services (Mr. Nassir): On a point of order, Mr. Temporary Deputy Speaker, Sir. My colleague should read this Report thoroughly. It is stated on the Order Paper that:

"THAT this House adopts the Seventh Report of the Public Investments Committee on accounts

of State Corporations laid on the Table of the House---."

We know that there are a lot of wrongs that have been committed everywhere and that is why we have appointed a Committee to rectify the situation. Is the Member in order to talk about things that went on a long time ago, bearing in mind that we have been speaking on these wrongs since 1962?

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, unfortunately, my hon. friend does not seem to understand what we are here for. We are adopting the Report and correcting it. We adopt the Report and say what is wrong with it; otherwise, if that was not the case, we would simply come here and adopt it and close the chapter. We adopt and say what was wrong with it and what is even wrong now, so that it can be rectified. I know the Minister wants to speak but there is still time for him to speak. He is going to say what I am saying, that those things are out of order now. They are not being well looked after. Can the Committee which is charged with this responsibility do that, so that the tea zones can also bring some money to the Exchequer? That is why we were investing in that Committee.

So, without going that far, we should agree that we need to look into this thing afresh. We do not want to have a repeat of what happened in the past with the Nyayo Bus Corporation. It is also contained in this Report. I witnessed when all the Nyayo buses were being flagged off by His Excellency the President. I was then a Member of Parliament and even an Assistant Minister, and I witnessed all that. These Nyayo buses were more than 100 and yet none of them is on the road today. Was it a good investment? Imagine public money was invested in that project and yet the whole project collapsed. The Kenya Bus Services buses were there even before the Nyayo buses, and they are still on our roads. Where did the Nyayo buses go? Who stole the money belonging to this Corporation? In which court was he charged and when? Is he ever going to be charged? So, all the investments that were put in the Nyayo Bus Corporation went to waste. There is no single bus today which is on the road. We know that, but we have to remind them. That is why I have been told by my Embakasi people to come here and ask: Where did the Nyayo buses go? Somebody must tell us.

Mr. Temporary Deputy Speaker, Sir, we have to speak about these things whether it pleases them or not because it is the truth. I did not come here to please anybody; I came here to tell them that it is wrong. Whether there is a point of order or not, the question is: Where are the Nyayo buses? Where did they go?

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. I appreciate the concerns that the hon. Member has raised since they are also my concerns. However, is he in order to keep on talking at the top of his voice as if we have no ears with which to hear him? We are hearing him very well. The whole country is hearing him very well. The Press is hearing him very well and even the members of the public in the Galleries are listening to him attentively. Is the hon. Member in order---

The Temporary Deputy Speaker (Mr. Imanyara): That is not a point of order. Proceed!

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, this hon. Member just wants to waste my time. I will say the truth at the top of my voice so that everybody can hear. If they had heard it before I said it, they could have rectified it before it reached this level. Why was it not rectified? The hon. Assistant Minister for Finance has been in that office for the last three consecutive terms. Why has he not rectified this mess and yet he knows that he comes here and starts taxing Kenyans again and again? The money that his Ministry voted previously went to waste through the mismanagement of Nyayo Tea Zones and so on.

Mr. Temporary Deputy Speaker, Sir, I want to thank the Minister for Finance for being bold enough to tell the truth and the position as it is without fearing. These are the kind of people that we now want because they are ready to say the truth. The other day, he came here and said that those who have two to three cars, must surrender one and yet, the following day, we heard something different. I was reading a report in *The Star* that some officers have refused to return these vehicles. Some of them are still using four vehicles. The Minister should impound these vehicles and whatever happens, we will stand by him. That is the truth. So, we are here to say the truth whether it hurts hon. Keah or anybody else. Let whoever is hurt by the truth be hurt. However, Kenyans will ask me when I go back to Embakasi: "Did you tell them?" I will say: "Yes, I told them exactly that and the Minister for Finance was hearing. If they did not do it, then, at least, the story about the hyena and the stone will apply. They heard it, they did not do it; but I said it".

Mr. Temporary Deputy Speaker, Sir, all that I am saying is that let investments be taken care of seriously. This is public money which can be invested in Kenyatta National Hospital which is a referral hospital. The money should be used properly.

Let the public feel that even when they are asked to invest money--- The other day, many banks, including public banks like the National Bank of Kenya and Kenya Commercial Bank were floating shares. This is public money which is being invested there. If we are not sure that such investments will be taken care of, then how can we continue to buy shares from Government-run banks? The other day, I read about an American investor who wanted to invest in Nairobi's Industrial Area. It was in the papers and I hope they read it. I am sure

there must be some people reading and informing the Minister what such people are saying. When he saw the infrastructure, he said that he could not invest there because the roads are horrible and the taxes are prohibitive. So, if we are trying to attract investors from outside the country, then the things they would look at first, are public investment companies like parastatals. They will look at how they are operating. If this is not possible, then it is time we all called it a day and said all these companies should be sold to the public and we will see them making money. Why should one company, which is owned by an individual make money, when companies with all the backing from the Government continue to fail? It is because our people have got to learn that we are creating a situation where everybody will fear to invest in this country. That is why we are talking about public investments.

I only want to appeal to Kenyans that the trend has got to change now. When we invest, those in Government and parastatals should ensure that nobody steals public money. It is a crime to steal public funds in America, or those other first world countries. But here, when you become rich through theft, people clap hands for you. Surely, even if you get rich through these dubious and unscrupulous means, how can you be proud to drive a Mercedes Benz when everybody knows that is the money which was stolen from public coffers? Most of the rich people in this country are former executives of parastatals, because they are the ones who have stolen the money for their own use. This is a pathetic situation. My appeal to Kenyans is that we have to change the trend and become people who can be trusted by anybody in the world. We do not want a situation where somebody would think that if you have to lend Kenyans--- To restore this trust to lend Kenyans will take time. But we can reverse this trend immediately. We do not want a situation where the banks will tell you to go with your whole family before they lend you money, because you cannot be trusted. This is the situation we are in. We have been told that the economy is in the intensive care unit. One month after this phrase was coined, I do not know whether we are heading to the mortuary or coming back. The Minister for Finance will have to tell us. My contention is that we are heading to the mortuary.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to imply that Kenyans are dead and that they are now being taken to the mortuary? Is he really right to say that and yet, he himself is talking here? He is not in the mortuary! He should be heading there and not talking!

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Nyachae, I think I heard the hon. Member properly. He talked about people going to the mortuary. So, if he wishes to visit the mortuary, it is up to him.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, the Minister knows that I am talking on economic terms. When he told us that we were in the intensive care unit (ICU), were we sick? We were in Mombasa and not in the hospital. We were not sick! So, he knows the term is purposely economic.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member should not mislead this House that I ever said that we are in ICU. It was the Press. I never used that phrase. I never said we are in ICU. So, if he, himself, is in the ICU as a human being, that is his business.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, we are talking about the economy and not sick people. Let the Minister not pull my leg. He knows I am talking about the economy.

With those few remarks, I beg to support.

The Assistant Minister for Labour (Mr. Ethuro): Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to support the report on the Public Investments Committee. This is because, coming at this particular time in our country, an investment is a major function within an economy. This is especially so when you are talking of a public investment that does not necessarily require that you actually look at the rate of returns of that business venture, but an investment so that every other activity within an economy can be able to thrive, generate income and alleviate poverty in this country.

Mr. Temporary Deputy Speaker, Sir, it seems to me that if we are serious about public investments, then we need to consider what we actually recommended in the Public Accounts Committee; that is, what we call the impact assessment. Many times we talk about investment, it is as if we are putting resources into a bottomless pit. But I think the moment we start asking ourselves: "What are rates of returns of the investment; what are we gaining;" naturally, I am not talking in terms of every penny gained. I am actually talking of social goods that accrue from a particular public investment. We have the Kenya Posts and Telecommunications Corporation and the Kenya Broadcasting Corporation (KBC). Where I come from, and I am speaking as the Member for Turkana Central, up to this particular moment, in all the deliberations that are televised, not a single person in Turkana District and many other districts in Northern Kenya, can actually be able to follow the proceedings. I think if KBC is taking its responsibility seriously, then it should look at what happens in those other areas. It should look at the wider coverage, so that every citizen of this country can actually appreciate and be part of the proceedings of this country.

Mr. Temporary Deputy Speaker, Sir, there is another area I would like to say something about. There is the Kenya Agricultural Research Institute (KARI), which has a very wide coverage everywhere. There is the Kenya Forestry Research Institute (KEFRI) and also the Kenya Vaccines Production Institute (KVPI). When you look at the amount of production of the vaccines compared to the demand, you actually realise that there is not much that is being done. I think we should be able to rationalise some of those public investments and some of their subsidiary organisations. Indeed, the Kerio Valley Development Authority is supposed to be covering parts of Northern Kenya, but it has hardly initiated a single project in places like Samburu and Turkana and we really wonder why that is so. In terms of public investments and improving the basic infrastructure that can attract any type of investment or development, some of those areas should be given priority. So, it is important that when we are looking at all these things--- I do not see the reports of KARI under the Public Investments Committee. Why should a big institution like that one be omitted from this report, when we know that if you look at the national objectives of food security and actually, improving our agricultural sector, then KARI becomes a major player? I think it is very important that, not only should it be in volume two, but also in volume one. I realised that omission and it should be noted.

Mr. Temporary Deputy Speaker, Sir, we are also looking at the question of the Kenya Power and Lighting Company as one major investor, and as a supplier of electricity in this country. Within West Pokot and Turkana districts, there is the Turkwel Gorge Hydro-Electric Project, where the electricity generated from the area joins the national grid about 220 kilometres southwards, while the downstream users of the water supply of River Turkwel actually get electricity and whenever they get it, it is not in a very big quantity and does not cover the whole area. I would imagine that if these companies are investing in this country, then they should invest in areas where they can get good returns, but not in areas with very minimal returns because of poor infrastructure. Looking at our national objective of industrialisation in this country, then the supply of electricity should be extremely crucial. There is the whole question of the user's right. If River Turkwel can hardly benefit the downstream users, then there is a problem in our investment. I would like to appeal to the directors of that company to make sure that the water of River Turkwel benefits all people downstream.

Mr. Temporary Deputy Speaker, Sir, telecommunications is one major area to be considered if we have to develop this country. I think the Kenya Posts and Telecommunications Corporation, with all these problems, has done a good job. But there is some obsolete technology being used by KPTC in the provision of services in some of these areas. Some of these services from River Turkwel can help the Government to generate revenue. These are services that should be made available to the people. They are not just for free. People will utilise those services from the Turkwel Gorge and, by so doing, generate income for the parastatal. Secondly, it also helps individual consumers in the society to transact businesses in order for them to be part and parcel of our economic development. I would urge KPTC to consider the fact that a vast district like Turkana, with its headquarters at Lodwar---

(An hon. Member murmured something)

I think hon. Mwenje may not accept that Turkana District is the largest district in this country. Hon. Mwenje thinks that Embakasi Constituency is the largest in this country. It depends on the parameters he is using.

The exchange system at the posts office at Lodwar can hardly work. Now we have multinational non-governmental Organisations (NGOs) located in Lokichogio and Kakuma, and then we have a problem because the post office exchange does not work. As a nation, investing in this particular parastatal, we should be asking ourselves what the benefits are for our people. This is a fair question. This is not a personal attack. Taxpayers, whom we represent in this House, will always be asking us this question, and they will expect answers from us. We would like them to be more responsible so that when we enter the next century, we can be proud of our country, and say that it has invested in parastatals that can encourage private investors. Without that kind of investment, then we cannot talk of any private investor in our country.

Mr. Temporary Deputy Speaker, Sir, on the question of the rate of returns---

QUORUM

Mr. Kombo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the House to sit when there is no quorum?

The Temporary Deputy Speaker (Mr. Imanyara): No. Indeed, we do not have a quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): We have a quorum now. You may proceed, Mr. Ethuro.

The Assistant Minister for Labour (Mr. Ethuro): Mr. Temporary Deputy Speaker, Sir, I am happy that we have a quorum so that we can continue with this Motion. Public investment is a very crucial issue in this country. It is very easy for us to run away at a time when we are liberalising our economy. It is very easy for us not to see the value of investing in some public projects which can help this nation.

I feel that we should invest in the National Cereals and Produce Board (NCPB). The NCPB should have enough food for us so that we can transact our business, but it hardly meets this objective. I am referring to a situation where we have food relief now being supplied to some of the districts in this country, particularly, in North Rift Valley, Eastern and North Eastern provinces. The Government is feeding people who are threatened with starvation. In those areas, there is hardly any stock of cereals in NCPB stores. I am aware that this country has sufficient food stocks for its people. It is time we should be asking the question - not just how the public parastatals utilise their funding - as to what extent investments benefit this country. This is the question all of us should address.

Mr. Temporary Deputy Speaker, Sir, the Sibiloi National Game Reserve is located at the eastern side of Lake Turkana. The Kenya Wildlife Service (KWS) has now decided that the Southern Island, which is also gazetted, should be part of Sibiloi which, administratively, is in Marsabit District. You can see the difference; the Southern Island is situated on the western side of Lake Turkana, which happens to be in Turkana District. I would imagine that to undertake any kind of division for ease of administrative services and ease of transacting business, the KWS should also follow the administrative structures that are in place. If they are not satisfied with these structures, then let them raise this as an issue.

Mr. Temporary Deputy Speaker, Sir, I would like to give other people a chance to contribute, but before I do that, I would like to make an ending remark. There is still need for investing in our public institutions. There is still need to demand more accountability from them. Sometimes, if you look at the Government expenditure--- We are targeting the parent Ministries but, somehow, the parastatals get away with it. I know of some parastatals which are still retaining people who have passed the retirement age bracket. I think, if we are thinking of unemployment as a big problem in this country, people should retire at the mandatory age so that others can be given a chance to serve the society.

Thank you very much, Mr. Temporary Deputy Speaker, Sir.

Mr. Kathangu: Ahsante sana, Bw. Naibu Spika wa Muda.

Ningependa kuanza kwa kusema kwamba hivi majuzi, Rais wa nchi hii alikutana na wakuu wa mashirika ya Serikali na kuwashauri juu ya usimamizi bora katika mashirika yao. Mkutano huu ulisababishwa na ukosefu wa usimamizi bora wa mali ya nchi hii katika mashirika ya Serikali.

Bw. Naibu Spika wa Muda, ninafahamu kwamba, kwa miaka mingi sasa, hakuna shirika hata moja kati ya yale tunayozungumzia hapa ambalo halijapoteza pesa. Mengi yameshasemwa katika Bunge hili hata kabla wengine wetu kuchaguliwa kuwa Wabunge. Watu wengi walitajwa katika Bunge hili kuhusu hujuma mbali mbali. Wengine waliiba pesa za Serikali, lakini mpaka sasa, Serikali haijachukua hatua yo yote. Watu hawa hata hawajaulizwa ni kwa nini walizichukua pesa hizo.

Hivi tukizungumza juu ya fedha za Serikali zilizoko katika mashirika haya, ni lazima maswali mbali mbali yaulizwe. Kwa mfano, katika hii Ripoti ya Public Investments Committee, kuna kifungu kimoja ambacho kinazungumza juu ya Industrial Commercial Development Corporation (ICDC). Kinasema kwamba wakisaidiwa na mtu mmoja anayeitwa Bw. Savage, na wengineo, wakiwemo Mawaziri wa Serikali, watu hao waliweza kutumia vibaya fedha za Serikali. Baadhi ya Mawaziri hao bado wako katika Serikali hii ilhali wengine wametoka Serikalini; kwa mfano, aliyekuwa Katibu wa Kudumu, ambaye alistaafu, Bw. Mbindyo. Huyo na wengineo walimsaidia Bw. Savage kuchukua kiasi cha Kshs850 milioni akiwa na nia ya kujenga kiwanda cha korosho mkoani Pwani.

Bw. Naibu Spika wa Muda, sehemu moja ya Ripoti hii inasema:

"The Committee further recommends that the officials, including Ministers, mainly, the then Financial Secretary, Mr. A.H. Ali; the then Permanent Secretary, Mr. Charles Mbindyo; the then Minister for Energy, Mr. K.N.N. Biwott, MP; and, the then Minister for Finance, Prof. G. Saitoti, MP, be held responsible for exerting undue pressure on the management of the ICDC for the approval and financing of the project against expert advice from the Corporation, who were the project implementers. Their financial interests should also be investigated".

Bw. Naibu Spika wa Muda, tunaweza kuzungumza hapa miaka-nenda, miaka-rudi, juu ya usimamizi bora wa mashirika ya Serikali na matumizi bora ya fedha za mashirika hayo, lakini hatutafaulu. Hii ni kwa sababu, kwanza, kamati ya PIC haiwezi kuzuia kutoweka kwa fedha za mashirika haya kwa sababu Kamati hii hugundua kutoweka kwa fedha hizo muda mrefu baada ya kutoweka kwa fedha hizo. Pili, kamati hii haifuatili miradi inayotekezwa na mashirika haya ili kuhakikisha kwamba fedha zimetumika kutekeleza miradi inayokusudiwa.

Rafiki yetu hapa, mhe. Mwenje, amezungumza juu ya shirika la Nyayo Bus Service. Singependa kuzungumza juu ya shirika hili kwa sababu tulishuhudia likianzishwa, na pia likianguka; shirika hili lilikuja halafu likaenda. Kulikuwa na mradi mmoja uliojulikana kama Nyayo Car. Tuliiona motokaa hii ikijaribiwa kule Kasarani, lakini hatujui kama ingali barabarani au la. Tungependa kujua mradi huu umefika wapi kufikia sasa; kama unaendelea au la, na ni kiasi gani cha fedha kilichotumika katika mradi huu.

Bw. Naibu Spika wa Muda, jambo lingine ambalo ningependa kuzungumzia ni hazina ya NSSF, ambayo iliazimia kujenga Jumba la Social Security House kwa gharama ya Kshs450 milioni. Baadaye, wasimamizi wake waliongeza gharama ya mradi huo hadi kupita Kshs2 bilioni. Kufikia sasa, sijaelezwa jinsi fedha hizo zilivyotumika. Mpaka sasa, wale waliotekeleza mradi huu katika shirika hilo, wakishirikiana na maofisa wa Serikali, wanaendelea kuufunika ukweli juu ya matumizi ya fedha hizi. Hatujaelezwa kama fedha hizo zilibwa ama kupotea, au "kuliwa", na kama fedha hizo "zimeliwa", zimeliwaje?

Hivi majuzi nilisema katika Bunge hili kwamba kuna watu wachache humu nchini ambao hutoroshea fedha nje ya nchi hii. Baadaye, watu hawa, wakishirikiana na makampuni kutoka bara Hindi, huanzisha viwanda vyao, wakidai kuwa ni foreign investment. Ikiwa tunataka kuisaidia nchi yetu, ni lazima tuwe na mpangilio wa mambo yote. Ni lazima tuache udanganyifu na kuamua kwamba, uchumi wa nchi hii ambao, kama alivyosema Waziri wa Fedha, Bw. Nyachae, uko katika "chumba cha wagonjwa mahututi"--- Nimesikia sasa Waziri Nyachae amekanusha kuwa alisema kwamba uchumi wa nchi hii uko katika ICU. Kama uchumi wa nchi hii uko katika ICU, je, watu wa nchi hii wako wapi? Hii inamaanisha kuwa hawatakula; watoto hawataenda shule, na juu ya hayo, hawatapata matibabu. Hivi ni kusema kwamba Wakenya wako katika ICU. Tunachongojea sasa ni majenzeza ya kuzikia Wakenya. Kwa hivyo, ninaungana na mwito wa mhe. Mwenje kwamba yafaa makaburi yatayarishwe. Na makaburi yanapotayarishwa, tungependa Nyayo Tea Zones---

The Minister for Environmental Conservation (Mr. Nyenze): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to repeat an allegation that was earlier on refuted by the Minister for Finance? The Minister said very clearly that he never said that the economy of this country was in the ICU.

Mr. Kathangu: Bw. Naibu Spika wa Muda, nakubaliana na Waziri kwamba hatupaswi kurudia maneno. Sababu ya wao kukataa kurudiwa kwa maneno haya ni kwamba maneno haya yanawachoma sana. Hawataki kusikia kwamba uchumi wa nchi hii uko katika ICU. Waziri Nyachae alikubali! Mhe. Nyachae alikubali kwamba uchumi wetu uko ICU. Je, mwanadamu ambaye uchumi wake uko ICU, yeye yuko wapi? Ninafikiri hata yeye pia yuko ICU.

Bw. Naibu Spika wa Muda, mimi naomba Serikali kwamba Nyayo Tea Zones ambazo ziko na mashamba ambayo yanaweza kuwa na makaburi zitolewe majani chai kwa sababu majani chai hayo hayasaidii nchi hii. Katika Runyenjes, tuko na mashamba mengi sana ya Nyayo Tea Zones. Miti ya majani ni karibu futi 20. Hakuna mtu wa kutunza haya majani chai. Tumeweka pesa nyingi katika Nyayo Tea Zones na tumeajiri watu wengi na wengine ni wakurugenzi. Wakati watu wa Runyenjes watatoka ICU, watahitaji pahali pa kuzikwa. Wakipewa haya mashamba ya Nyayo Tea Zones kama pahali pa kuzikwa, ingekuwa vyema zaidi.

Bw. Naibu Spika wa Muda, kila chuo kikuu katika nchi hii kina nyumba ambazo hazijaisha. Kwa wakati huu, kuna mgogoro mkubwa sana katika Kenyatta University. Wakuu wa chuo hicho wanaendelea kutumia pesa na hizo pesa hazijulikani zinaenda wapi. Jambo hili litachunguzwa katika Hoja nyingine, lakini kila chuo kikuu katika nchi hii kimedhoofishwa na utumiaji vibaya wa pesa.

Bw. Naibu Spika wa Muda, Ripoti hii inaeleza kwamba Shirika la Posta na Simu lilitumia Kshs161 milioni kusaidia mashirika ambayo siyo ya Posta, na baadaye mashirika hayo yote yalianguka. Serikali haikusaidia mashirika yale, wala haikuchunguza ili kujua ni nani aliyetumia pesa hizo vibaya. Shirika la Kenya National Oil Corporation lilitumia Kshs324 milioni kusaidia benki ambazo zilianguka baadaye. Tano kati ya hizo benki zilianguka na hatujasikia kutoka kwa Serikali ni nini wanafanya ili kuwafuata wale waliotoa hizo pesa kwa hizo benki. Na ni kwa nini benki hizo zilianguka na walipewa pesa za kutosha?

Bw. Naibu Spika wa Muda, Shirika la Kenya Tourist Development Corporation lilitumia Kshs274 million. Hizo pesa zilipewa watu binafsi na hawa pia wakafilisika na hizo pesa zikapotea. Mimi naomba kwamba, badala ya kuingia katika Bunge hili, ingawaje ninajua hii ni nyumba ya mazungumzo, ya kuzungumza kwa masaa na masaa, na mwisho tunasema tutafuatilia jambo fulani--- Ni lazima wote ambao wametumia

pesa za Serikali vibaya, kama vile rafiki yangu mhe. Biwott, waadhibiwe vikali. Lakini watu kama mhe. Biwott bado wameteuliwa kama Mawaziri wa Afrika Mashariki. Sasa ametolewa kutoka nchi hii na amepolekwa katika Afrika Mashariki. Hapo hakuna busara yoyote. Na wengine hapa, kama mhe. Saitoti, wanajua mengi sana na ni matumaini yangu kwamba atateuliwa kama Makamu wa Rais kwa sababu anajua mambo mengi. Anajua mambo ya pesa kwa sababu ameona nyingi zikienda na hakunu mtu ambaye amemlaumu. We have to change our attitudes in this country, and in the Government, if we are going to resurrect this nation. Tutawezaje---

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member for Runyenjes in order to inflate the size of hon. Biwott beyond what it is? He has said that hon. Biwott is no longer a Minister of Kenya but a Minister of East Africa. For purposes of putting the record straight, is hon. Biwott a Minister in Kenya or a Minister of East Africa?

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Munyasia! You are taking Mr. Kathangu's time.

Mr. Munyasia: Mr. Temporary Deputy Speaker, Sir, but the record has to be corrected. He is not a Minister of East Africa!

Mr. Kathangu: Mhe. Munyasia, makosa ambayo yako ni kwamba Afrika Mashariki ni nchi tatu ambazo zina huzuni nyingi sana kwa sababu wanafanya kazi ambayo walivunja mwaka wa 1977. Hata wakati ule wa 1977, mhe. Biwott alikuwako. Ni lazima tubadili mawazo na nia zetu, na ni lazima tukomeshe mambo ya wizi na hongo kwa sababu hizo ndizo zinaharibu nchi. Tunaposema mambo ya mashirika ya Serikali, tunaangalia ni nani wanaosimamia yale mashirika. Mashirika haya yanachukua pesa nyingi ambazo zinaweza kusaidia nchi hii. Lakini ni nini kinachoendelea? Mwenyekiti fulani wa shirika amepoteza kiasi fulani cha pesa katika miradi mbalimbali lakini anatolewa kwenye hilo shirika na kupelekwa hadi shirika lingine ambako ataendelea kufanya vile vile. Wakati huu tunasema uchumi uko katika ICU. ICU namna gani? You cannot put a murderous doctor in a theatre; you continue changing him from one theatre to another and then you think the ICU is going to improve the health of the patient. It is not possible. Kwa hivyo wale tumewagundua kwamba wameharibu pesa za Serikali watolewe, na ikiwezekana, wawekwe jela. Mawaziri wanaogopa jela sana. Mimi nimekuwa jela kwa miaka minane na nusu na nimesoma mambo mengi. Wale wakiingizwa jela, watasoma kidogo na watajirekebisha kwa sababu wameiba. Kwa hivyo, ni lazima uchunguzi wa wale walioiba pesa za Serikali kutoka kwa mashirika ufanywe.

Tunaulizwa na Hoja ilio mbele ya Bunge hili kukubali kwamba hii Ripoti iwe mali ya Bunge hili; kwamba yale yako mle ndani yakubaliwe na Bunge. Mimi ningetaka kukubali kwamba Ripoti hii ichukuliwe na Bunge kama mali yake, lakini ni lazima tuseme wale wameiba pesa za Serikali wawekwe mbaroni ili Wanakenya tunaowaakilisha katika Bunge hili waweze kumaliza hofu juu ya Serikali. Ni lazima wawekwe mbaroni na waendeleo kuchunguzwa katika mahakama zetu. Mimi nafikiri upande wa Serikali ungelitaka mali zote zisimamiwe vyema. Mimi ninajua kwamba pia upande wa Upinzani ungetaka mali za umma zisimamiwe vyema.

Likini kuna mambo mbalimbali ambayo ninaona ni muhimu sana. Bunge hili ni lazima likubali kwamba mali ambayo itatuwezesha sisi kujiondoa kutoka ICU ya uchumi ni ile inayotokana na ushuru. Huu ushuru unasimamiwa na Wizara ya Fedha. Kuna mambo ambayo yemetajwa hapa kuhusiana na viwango vya riba. Ikiwa Benki Kuu ya Kenya itaziua hati kwa asilimia 24 ama 21, na huku Benki ya Kenya Commercial inatakiwa ipate faida, basi watalipisha pesa ngapi? Kulingana na vile ninavyoona, uchumi pia unaaza kudhoofikia pale. Ikiwa Benki Kuu ya Kenya inataka wananchi wafaidike, ni lazima viwango vyao viende chini, ndipo vile vya Benki ya Kenya Commercial vitaenda chini pia. Ni mambo yapi yanayoendelea wakati huu? Viwango vyao viko juu; bei za bidhaa ziko juu, na kodi pia iko juu. Mwanakenya atakuwa wapi? Pili, wakati tunapozungumza juu ya mambo ya ushuru au kodi, ni lazima tukumbuke kwamba Mwanakenya yule ambaye anafutwa kazi kama mwalimu---. Walimu 66,000 wanatakikana kulipa PAYE. Lakini sasa ni lazima walimu wapunguzwe ili tutafute njia za kupata kodi ambayo wangetulipa kwa PAYE. Mimi ninaona kwamba ni vigumu sana kwa Serikali kutengeneza pesa ikiwa hakuna njia za kuleta pesa kwa taifa.

Kwa hivyo, Bw. Naibu Spika wa Muda, ningetaka mapendekezo yapelekwe kwa Serikali. Kuna wale ambao huonekana kwamba labda hawasisikizani na Serikali, lakini watu wale hawajasikizwa, na huku ni watu walio na fikira njema zinazoweza kuisaidia Serikali hii. Ninaona pia kama wamefika kikomo kwa sababu wana uwoga kwamba Katiba ikibadilishwa, wataenda. Wana uwoga kwamba huenda kipindi hiki kikiisha, Rais wetu akiondoka ofisini, hawatakuwa na pahali pa kukimbilia. Mimi nianonelea hivi; ni lazima hofu na uoga ziondelewe kwa Wakenya ili wajue kwamba sisi tungetaka kuishi kwa amani. Kwa hivyo hatutaki kuwafuatilia watu. Kama ulikuwa mwizi, wewe endelea kuwa mwizi tu lakini tafadhali fungua macho yako ili uone nia njema ambayo Wakenya wanayo, na ukumbuke kwamba tunaweza kusahau na kukusameheha kama vile watu wengi sana wamesamehewa katika nchi hii.

Bw. Naibu Spika wa Muda, kwa hayo machache, ningependa kukubaliana na Ripoti hii, lakini ningetaka

uchunguzi ufanywe na hawa watu wawekwe mbaroni. Asante.

The Assistant Minister for Finance (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I want to thank you for giving me this opportunity to contribute to the Seventh Report of the Public Investments Committee (PIC) on the accounts of State Corporations. We are making progress. This is, indeed, the Seventh Report since we started, as a House, to look into and to review the accounts of State Corporations. In my contribution, I want to make specific references to the Report itself, and to delve into a number of issues which now follow. Before I do that, I want to thank the PIC of this House for the tremendous work they put into the Report, and for producing this very large Report. My first point is to observe that with respect to all the parastatals that have been covered under this Report of the Seventh Parliament, one noticeable factor is that here we are today, in July, 1998, but the Reports that we are discussing refer to a time which dates back to four or five years ago. One point, therefore, is that it is imperative for all State corporations to prepare their accounts on time; to have them audited on time, and to have the PIC of this House review those accounts on time, to enable us to debate on these particular Reports here on time. Otherwise, we are discussing matters of yester-years like 1993. If you look at any one of them, you will find that we are four of five years behind.

Our major weakness, even as we debate this Report in this House, is the fact that we are doing it late. Some of those managing directors and the officers who were the culprits are no longer there. Therefore, it is really late and my best recommendation is to plead with the parastatals to prepare their accounts on a timely basis. There is absolutely no reason why this cannot be achieved. If it is on 30th of June, or 30th of September, or 31st of October, soon after the year ends, within three months, those accounts should be ready for auditing. One of the reasons why people have been able to perpetrate fraud and so forth is that proper books of accounts are not kept. This is the biggest culprit, and the problem.

I want to appeal to my colleagues and all the professional accountants that State Corporations should make sure that they observe and maintain proper books of accounts to facilitate the preparation of final accounts and, subsequently, the audit soon after the year ends. A period of six months is adequate for the preparation of the final accounts for audit. Until we overcome this problem, we will be talking here, and we will be making recommendations which cannot be implemented. That is the weakness of this Report. So, I want to appeal that these accounts be prepared, audited and brought into this House on time to be discussed for execution, or implementation of the recommendations that we are making. We are going to adopt this Report, so I do not know whether the Government, or the parastatals themselves will be in a position to implement the recommendations that were made in the Report. That is point number one.

Mr. Nyanja: On a point of order, Mr. Temporary Deputy Speaker, Sir. I have been a Member of the Public Accounts Committee during the Seventh Parliament. It is not true that the parastatals or the Ministries do not present their audited accounts in time. It is the Government's plan to delay the printing of the Report. We even deliberate, but the Reports do not come out. This particular Member on the Floor has been in the Ministry of Finance all these years. These are criminal activities. These are frauds. A crime is never too old to be investigated.

The Temporary Deputy Speaker (Mr. Imanyara): What is your point order, Mr. Nyanja?

Mr. Nyanja: Mr. Temporary Deputy Speaker, Sir, is the Assistant Minister in order to mislead this House, and the whole world, that the Reports are late and, therefore, implementation is not proper because it is time-barred? Crimes never get old. You are a lawyer, and you know that. We know these people by names and they are all there. They are even very senior. We know all of them; none of them is dead and, therefore, investigations can take place. It is the Government's fault and deliberate scheme to delay the printing and presentation of these Reports.

The Assistant Minister for Finance (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I sympathise with my friend. This Report was laid on the Table of the House in April 1998. What is he talking about? All you have to do is come to each and every single aspect here, and go through each one of them and you will find that if you take the very first one--- I can refer you to page 67. We are talking about the accounts for the year ended 30th June, 1995; on page 69, National Oil Corporation, we are debating the accounts for the year ended 30th June, 1991.

The Temporary Deputy Speaker (Mr. Imanyara): Order! What I understood the Member to be saying is that where the recommendation has been made to surcharge or take certain action, there is no limitation of time, for example, in charging somebody with theft, if the recommendation was to charge him with theft.

(Applause)

The Assistant Minister Finance (Mr. Keah): Point taken, Mr. Temporary Deputy Speaker, Sir. There is no limitation in the charging. I was coming to that point. But my observation here, and my contribution, is that,

there is a delay by the corporations themselves in preparing their accounts. We are discussing, and this is the point I am making, reports of the Auditor-General (Corporations) on the accounts of the National Oil Corporation for the year ended 30th June, 1992. Unless he misunderstood me completely, my point is that we are today discussing the recommendations of the PIC on the National Oil Corporation for the year ended 30th June, 1992, and we are in 1998. That is the point I making. So, I am saying that the Corporation should take care to produce their accounts timely.

Mr. Temporary Deputy Speaker, Sir, secondly, as you read this Report, you will see a blatant abuse of professionalism because you find here that the operations fall far short of expertise, and I wonder why this should be so. Compare the private sector companies and these State corporations, and you will see the difference. Those private sector companies' operations are performed by professionals and there is a profitability urge in those companies, whereas you do not find any of that here. You find that they make losses.

Mr. Ngure: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to allude that cases of theft mentioned in this Report were created by unprofessional accountants? Is he saying that they are not factual?

The Assistant Minister for Finance (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I did not make any allusions but I am saying that the work done was unprofessional. A professional can do unprofessional work, and I am complaining that, in fact, the operations and the losses were made by people who did not strictly observe professionalism, because if they had, that is not my business. I am commenting on what we have in the Report. I am saying that all Kenyans, regardless of where they are employed, whether in the private or Public sector, should strictly observe professionalism. This is really what I am saying because the profitability aspect is imperative, if companies are to succeed. If you make a loss, it must be financed by someone. Who finances it? In case of State corporations, at the end of the day, it is the Government. This is really unacceptable.

Mr. Temporary Deputy Speaker, Sir, my third point deals with divestiture. I want to state that the Government's policy on divestiture is the correct one and we must really forge ahead and speed up this process.

(Loud Consultations)

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! May I ask hon. Kombo and others that if they must consult, they should do so in a manner that does not interfere with the proceedings of the House.

The Assistant Minister for Finance (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir. Divestiture is another area that I wanted to touch on. We do, indeed, have a programme of divesting from these companies. All I can do is to ask the officers involved in the divestiture programme to speed up this process in order to save the Government from paying any subventions to the companies that are really making losses.

I want to comment on implementation delays. We read virtually on every Report that comes up about delayed implementation of projects or projects that have stalled midway. Once again, implementation delay is a costly affair for this country. I totally agree with the recommendations in the Report here that some of these officers should be surcharged in respect of the bad decisions that they have made. We have a number of projects that have stalled and this is really a waste of useful resources that we have. We have limited resources and if we can permit projects to be started when funding is not guaranteed, this is really an economic crime. And at some stage, I would subscribe to the idea that we ought to have some law relating to economic crimes. Let me refer specifically to certain areas of the Report. There is a recommendation on page 24 of the executive summary on the non-payment of honoraria to the staff of the National Assembly. Again, appearing on pages 29 and 35, item 14(ii) is the same issue. I find something wrong with this recommendation, because it repeatedly states that despite the explanation that has been given, the Clerk to the National Assembly has refused to implement the recommendation by the PIC. Mr. Temporary Deputy Speaker, Sir, it has been explained that the matter is subject to discussion

between the Clerk and the Treasury. So, I sympathise with the issue because people cannot be paid out of no budget. Indeed, while I totally agree that it is right for the PIC to fight for the staff of the National Assembly, it has been explained quite clearly in the Report that, taking into account the extra hours that they work, the staff of the National Assembly are given a 20 per cent over and above their salaries to cover for their working late. If this is not adequate, the only way we can solve that problem is to increase the 20 per cent. This, to me, would appear to be the more rational thing to do. But this is a matter of discussion between the National Assembly and the Treasury, and it all depends on the availability of funds. That should be the way forward. It appears here that the PIC is pitting the staff of the National Assembly against the Clerk and the Treasury, which should not, in my view, be the line of approach by the Committee. I have observed that, and I feel that I must make my contribution accordingly on that issue.

Mr. Temporary Deputy Speaker, Sir, I have talked about implementation, profitability, the management of parastatals, delayed submission of accounts as well as the speeding up of divestiture. The kind of things you find here are appalling. Over-expenditure, without approval, is not in accordance with proper and good management policy. Making investments contrary to Treasury guidelines is not allowed and I totally agree that people who do that should be surcharged. Ensuring that title deeds have been issued where land deals are concerned is important. Inaccurate data has also been a big source of draining funds from the companies. In my view, lack of commitment by some officers who work for these parastatals has also contributed to their failure.

The Public Investment Committee was upset by the number of incomplete and abandoned projects which were undertaken by a number of State corporations. I am too appalled by this. Statutory deductions are also not paid. This is illegal. If you do not pay them, how do you expect the Government to get its revenue? In fact, some of the statutory deductions are used by the Government to finance some services.

Mr. Temporary Deputy Speaker, Sir, I have already touched on delays in the submission of accounts. I do not intend to repeat it. Good recommendations have been made in the PIC Report. These recommendations should be implemented. However, because of the long period between the time when the crimes were committed and the time when they were discovered, it may be difficult to implement the recommendations effectively.

Mr. Temporary, Deputy Speaker, Sir, we ought to ensure that the rules laid down with regard to the preparation of the accounts are strictly adhered to. Parastatal bosses should prepare their financial accounts within three months after the end of the accounting period. It is upon the Auditor-General (Corporations) to audit the accounts of those parastatals which beat the deadline. If the Auditor-General (Corporations) does not have enough manpower, he should employ private auditors in order to speed up the whole process. By doing this, we will be able to run the parastatals better than we are doing now.

Mr. Temporary Deputy Speaker, Sir, I beg to support the PIC Report.

Mr. Kihoro: Thank you, Mr. Temporary Deputy Speaker, for giving me this opportunity to contribute to the PIC Report. I also thank the previous speaker for the articulate way in which he has expressed his dissatisfaction with what is in the Report. I am also very unhappy with the Report which was presented in this House in April, 1998. The Report revealed what happened to public funds way back in 1992. That is a long duration. It is incredible that this is happening. Who is responsible for the delay? The discipline aspect in handling public funds is something that should be taken up by the Government. I hold the Government responsible for lack of discipline in the handling of public funds. The Government should take the matter up and make sure that public funds are utilised properly. It should not pass the buck to the accountants or hon. Members of Parliament. It is the Government which has got the responsibility to protect public funds. We should have dealt with those who mismanaged public funds in 1993. We should not have waited until 1998. The same case should have applied for the year 1995. Therefore, we should not complain in 1998, when many years have already passed.

This Report exposes a litany of theft of public funds by a few people in this country. They steal funds from State corporations that have been accumulated by the people of this country for a period of 35 years. The managers who run these State corporations have a lot to tell Kenyans. The easiest way to become rich in this country is by being appointed a manager in a State corporation, and then you mismanage its funds. Unfortunately, this ill-gotten wealth will be recovered one day. This can be done either by the current regime, or by the next one. Many people have suffered because the Government is allocating money to State corporations to keep them afloat.

Mr. Temporary Deputy Speaker, Sir, I have come to the conclusion that many State corporations in this country should be sold off. This should be done because there is no other means of sealing the avenue people use to steal public funds. Let us hope that Kenyans will be given the first opportunity to buy these State corporations when the time for their sale comes. A proper valuation should be done for these corporations, and Kenyans should be given the first opportunity to buy them. Selling public assets and allowing foreigners to come and buy them at a cheap price - these assets have been accumulated by Kenyans over a period of 35 years - will be a tragedy for this country. Selling these assets to foreigners is tantamount to putting our economy in their hands. This will also make our own people strangers in their own country. To make our people feel protected, it is important that they be given the first opportunity when the time for the sale of our State corporations comes. Let them form consortiums to assist them buy them. There should be no hurry in selling off these corporations. I know that some people will take the opportunity to grab more.

Mr. Temporary Deputy Speaker, Sir, when the Kenya Posts and Telecommunications Corporation is privatised, our people will make profits and their money will remain in this country. But if it is sold to big corporations from Britain, America and South Africa, the profits will end up being taken out of the country and the economy will end up - as the Minister aptly put it - in the ICU. Therefore, our people are also in the ICU. I think we should not be short sighted as to sell some of the important structures in this country, like buildings. The Government may be in a hurry to become a tenant of certain landlords in this country by selling public houses.

Maybe, tomorrow, we shall hear that Jogoo House or the State House are on sale. The Americans and the British have not sold the White House or the White Hall respectively. But, in Kenya, it is possible to hear that State House is on sale. We must draw a line between important assets and those that are not.

Mr. Temporary Deputy Speaker, Sir, it is the people of this country who own this land. Buildings, especially, should not be sold off. Civil servants have no proper accommodation since the salaries and housing allowances they get cannot afford them any good accommodation. Their house allowances range from Kshs2,000 to Kshs3,000, when public houses have been condemned and sold off for as little as Kshs250,000. Civil servants are forced to spend all their money on rent in one day. It is not fair to render the people of this country tenants in their own land, just because we are in a hurry to pay for a certain debt, or we want to off-load Government burden. Whatever we sell, let us make sure that we are not going to be in need of that commodity in a very short time. I personally would not support the sale of Jogoo House or the State House.

Mr. Temporary Deputy Speaker, Sir, it is very important to look ahead, since we have a legacy to give to our children in this country. Government buildings should be concentrated in a certain area. It is my hope that Harambee Avenue, up to Capital Hill will remain Government area. Government offices should be located in buildings which are known to the public, so that any stranger will easily identify where Government Ministries are housed.

The Minister for Lands and Settlement (Mr. Ngala): On a point of information, Mr. Temporary Deputy Speaker, Sir. I would like to inform the hon. Member that the houses which he is casting doubt on will permanently be public houses. They will not be sold.

Mr. Kihoro: Thank you for that point of information. I am very happy to take it, and it gives some hope to my heart and the people of this country that there will be a line drawn somewhere. When we go divesting public assets, there are certain areas that are sacrosanct and need to be left alone. Maybe, we should sell the genuinely loss-making assets, but not the ones which can be turned round and become profit-making. Our people's needs should be given the first priority.

Mr. Temporary Deputy Speaker, Sir, many people in this country would like to be given an opportunity to own the present Nyayo Tea farms. As hon. Kathangu has told us, there are tea bushes in the Nyayo Tea Zones that rise to about 15 feet. This is no longer a tea bush, but a tree. The opportunity of buying these farms should be given to the people who have been picking tea in these Nyayo Tea Zones on a soft loan scheme. It is possible to divide them into small farms that can be affordable to these people. This would become a source of income to themselves and their families. I hope we will not sell them the way we have sold other Government assets to foreigners.

Mr. Temporary Deputy Speaker, Sir, health care and education have become very expensive. So, we must make sure that when we privatise the Nyayo Tea Zones, we give the first opportunity to the tea pickers so as to enable them support these basic needs. The soft loans given to them could be recovered slowly from the tea sales.

Mr. Temporary Deputy Speaker, Sir, it is my hope that in future, the Government will take the PIC Report seriously and act on it. We hope that the process will be accelerated in future, so that we do not wait for seven years to receive a report.

I beg to support the Motion.

Mr. Munyasia: Mr. Temporary Deputy Speaker, Sir, I am grateful for the opportunity to also contribute to this Motion. First, I would like to say that I agree with those who have shown apprehension at the delay that it takes in bringing out these Reports, so that we can follow up the culprits in time. But I also wish to inform the House that in a way, I think the Government is itself to blame for not holding debates on these Reports early enough. It is not true that this Report has been published this year. We received copies of the Public Accounts Committee and the Public Investments Committee Reports last year. The whole year passed without discussing these Reports. I think that should be put right for purposes of the record. In fact, I was wondering whether the Government was waiting until we had changes in the standing Committees, allowing Government to control them before they bring this Report for discussion.

Mr. Temporary Deputy Speaker, Sir, the issue that raises a lot of concern is that many of the recommendations we make after discussing the PIC Report are hardly ever effected by the Government. To show my concern, I have a few examples to give.

First, sometime in 1989, 1991 and 1992, we had a district commissioner (DC) in Baringo called Mr. Cyrus Maina. The DC, following instructions from somewhere, dismissed all the teachers from other districts from Baringo. They were sent to their districts of origin. In Bungoma, there were about 166 teachers who were teaching in Baringo. They were not paid their salaries. Later, it was reported that there were unclaimed salaries held by the DC. From that time, year after year, recommendations have been made requiring Mr. Cyrus Maina, to release the money to the Teachers Service Commission (TSC). The claimants are still there and they should be

given their money. Mr. Maina still serves the Government. When you read the reaction of the Government to the recommendation of the PIC, it says that the matter is being handled by the Attorney-General. It is said that the Chief Executive of the TSC gave a full report of what transpired to the Attorney-General sometime in 1995. But, to date, Mr. Maina has not been found and yet, he serves the Government. The teachers who left Baringo have not been paid their salaries and they are still unemployed, since the Government said it cannot employ those who were chased away from Baringo. Are we talking about a Government that is serious about the recommendations that are made in the PIC Report?

The second example that I would like to give regards Nzoia Sugar Company. The Government has majority shares in the company and it appoints the managers. The said managers have been responsible for running down the company. In the last PIC Report, a recommendation was made which read:

"The Committee recommends that the Chief Executive should ensure that prior proper feasibility studies are done before embarking on projects of such magnitude. The Committee further recommends that all the officers who were involved in the signing of the contract of Phase II of the project to begin, before Phase I of the project was completed, that is, Mr. Elijah Wasike Mwangale, Dr. W.K. Koinange, Mr. Charles Mbindyo, Mr. Fredrick Wafula Wafunafu, Mr. D. Eshitemi and Mr. Francis Wabuke, be banned from holding any public office in Kenya".

The Government response is:

"The Chief Executive confirms that he is adhering to the recommendations, and that the Attorney-General is following up the second recommendation".

QUORUM

Mr. Kitur: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is there a quorum in the House?

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

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): There is a quorum now. Proceed, hon. Munyasia.

Mr. Munyasia: I was saying that the recommendation adopted by this House last year was adhered to as reported by the Chief Executive. But he is careful to say that on the second bit, which says that the above mentioned officers should be banned from holding public office, the Attorney-General is dealing with the matter. It is only Mr. Francis Wabuke who was denied an opportunity to hold any public office. He left the country to seek employment elsewhere. The others have been reinstated. The other day, Mr. Mwangale was made the Chairman of the Kenya Bureau of Standards. Mr. Eshitemi is still employed at the Mumias Sugar Company, which has huge Government interests. The Government must be serious by acting on the recommendations. We do not do useless work by discussing the Report and making recommendations for the Report to be filed.

Mr. Temporary Deputy Speaker, Sir, there is a very serious matter regarding an American company called Arkel International. It was contracted to construct Phase II of Nzoia Sugar Company. It brought some of its materials, which are rusting in the factory's yard. But because these people had undertaken a project that was too big for them, they ran away. A Committee of this Parliament recommended:

"The Committee recommended that Arkel International Inc., which was involved in this shady deal should be blacklisted and proper legal proceedings instituted against it both in Kenya and USA under the USA 1997 Foreign Corrupt Practices Act, which criminalised offshore bribery by USA firms."

We are told that the status of that recommendation is this:-

"The Chief Executive confirmed that Arkel International Inc., has been blacklisted in the Kenya Sugar industry."

So, we hope that they will not be given any other project. But they say that legal action has not yet been taken and the law is there. The Act in the USA is there and it states that any company involved in these shady deals outside the USA may be prosecuted by anyone in the USA. What is the Attorney-General waiting for? My concern is that we appear to be making recommendations that are just shelved.

Mr. Temporary Deputy Speaker, Sir, I would like to comment on the sale of State parastatals, which is an on-going exercise. There has been much talk about the Kenya Milling Corporation whose tenders were advertised for purchase and the lowest bidder awarded the company. Surprising enough, the person who was awarded the tender did not even pay cash. I am told that he only brought his managers to work along with the managers of the shareholders, which are Government parastatals, and then after a year, using the profits from the proceeds, he paid

the price. The Committee recommended the cancellation of that sale and I support that recommendation because the deal is suspect and fresh tenders should be re-advertised. They are saying that it is too late because the purchase deal has already been sealed. These are the things that we should condemn. Let us not appear to be doing a useless exercise over here; we hope that this Government is going to be serious. Let them not just talk about it. I am hoping that the K£100,871 that Mr. Cyrus Maina, the then DC, Baringo, misappropriated from the teachers' salaries is going to be reimbursed. The Attorney-General must show some seriousness by prosecuting this man immediately.

I am hoping that the K£2,980,1713, which was an overpayment to teachers by the TSC, is going to be recovered. There is no use making recommendation after recommendation. Otherwise, I support the recommendations that have been made by this Committee.

Thank you very much.

Mr. Kariuki: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the (PIC) Report. The Report gives one a very sad picture of what is going on in our corporations. There is total mismanagement of these corporations, and from page 1 to the last page, there is nothing good at all that has been talked about. When we are talking about being a developing country and, yet, we continue wasting so much of our resources through corrupt practices and other irregular deals, it is very sad. When future generations read this Report, I think they will be wondering what their fathers did, because there is nothing good at all we are preparing for the future.

Going through the Report, the picture is so disappointing. Although very glaring cases have been reported, there is no action at all being taken. It is a matter of great concern that no action is being taken against cases which could easily be prosecuted and the people implicated jailed. This is very worrying. If we look at the various State corporations like the National Cereals and Produce Board (NCPB), it is owed about Kshs500,000 in outstanding debts by an individual, but nobody is following up that debtor. I wonder how the corporations will run without debtors paying, and, yet, we continue talking about our economy plunging into a major crisis, whereas the crisis is caused by ourselves. Substandard commodities are being supplied to the NCPB and one wonders whether the people responsible close their eyes when they receive these substandard commodities. If the commodities being supplied are substandard, they should be condemned and the supplier compelled to supply quality goods.

Another corporation is the Kenya Grain Growers Co-operative Union (KGGCU). In the first instance, why was the name changed from the Kenya Farmers Association (KFA) to KGGCU, and then later on renamed KFA? We are so inconsistent because we make decisions without carrying out proper feasibility studies. Whenever we are changing anything, we should ask ourselves why we are doing it in the first place.

Mr. Temporary Deputy Speaker, Sir, the NSSF is another total mess. I wonder why the Central Organisation of Trade Unions (COTU) and the Federation of Kenya Employers (FKE) are there in the first place. They are supposed to protect employees' benefits and yet they do not. I do not even blame the Government in this particular instance. If COTU and FKE are supposed to be representatives of employees and employers, they should be the first people to shout; they are there as trustees and yet they blame the NSSF. I think COTU should blame itself. I wonder why the trade unions are not going on strike against COTU because their representatives are letting them down. The same case applies to the Federation of Kenya Employers. I think it is important for representatives to assist the NSSF to ensure that public funds are taken care of. Employees should take up arms and go and shoot all these trustees if at all they do not know the importance of the NSSF. The benefits are there for you and me when I grow old, but if in ten years time, there will be no money because the funds have been looted, then I think we stand to suffer a great deal.

Mr. Temporary Deputy Speaker, Sir, as regards the NSSF, as I said, I think the trustees have themselves to blame. They are letting themselves to be used. They are letting themselves to be influenced by political leaders as they interfere in the management of the fund itself which is a disaster. If anything, the NSSF is just an organ to siphon money from public kitty to individual pockets. The projects that they are putting their money into are certainly non-viable. You only need to look at the highly inflated prices of the land and buildings they are buying. I think proper valuation of the properties they buy should be done by professional valuers in this town. There are so many of them who are qualified and they have done it over the years, and they should not cut corners. These funds are not theirs. They belong to the public and, therefore, they should not be handling funds that belong to the public as though they are their own funds.

Mr. Temporary Deputy Speaker, Sir, more important is the issue of buildings that the NSSF is buying. Buildings like the new NSSF building have been highly inflated into billions and billions of shillings. A building that would cost maybe Kshs1.2 billion now ends up costing about three times as much as it would have cost and most of that money goes into people's pockets. What I am saying is that it is a disaster when you look at NSSF, not to mention the amount of money that it will lose as a result of putting money in institutions that collapse. There

were banks which were known to be glaringly going wrong and yet the NSSF would find itself investing money into them. Up to now, as we speak, a lot of funds are lying in institutions which are very doubtful, and the NSSF does not take the trouble to pull their funds out of these institutions in good time so that the public does not lose. That is a sad affair.

I think it is important for us to find ways and means of ensuring that the NSSF meets the expectations of the employees and the employers. Currently, they feel let down by the trustees, and it is important for the trustees not to assume that all is well. They are accountable. We have had cases which have been reported here, and recommendations made as to who should be surcharged and even sued, but again it is the same old story where no action is taken. It is not good to continue treating the NSSF that way any more. If anything, the NSSF has failed, I think it should be disbanded and that money put into private pension funds which are better managed. We have funds here like the IPA Fund or the Insurance Companies Pensions Fund and Alico Pension Fund and others. These are private institutions that are running the show very effectively. So, the NSSF should follow suit. I always say civil servants have no business doing business. Here, we have institutions where NSSF is being managed by---

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, it is now time for interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 2nd July, at 2.30 p.m.

The House rose at 6.30 p.m.