

## NATIONAL ASSEMBLY

### OFFICIAL REPORT

**Tuesday, 18th April, 2000**

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### PAPERS LAID

The following Papers were laid on the Table:-

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

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister  
for Education, Science and Technology]*

Annual Report and Accounts of Kenya National Trading Corporation for the year ended 30th June, 1996 and the certificate thereon by the Auditor-General (Corporations).

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

Annual Report and Accounts of Industrial and Commercial Development Corporation for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations)

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister  
for Tourism, Trade and Industry]*

Annual Report and Accounts of Kenya Forestry Research Institute for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister for Environment  
and Natural Resources]*

Annual Report and Accounts of National Housing Corporation for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister for Roads  
and Public Works]*

Annual Report and Accounts of Kenyatta National Hospital for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister for Health]*

Annual Report and Accounts of Kenya Broadcasting Corporation for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister for Information,  
Transport and Communications]*

Annual Report and Accounts of South Nyanza Sugar Company for the year ended 30th June, 1997 and the certificate thereon by the Auditor-General (Corporations).

*[By the Assistant Minister for Education,  
Science and Technology (Mr. Awori),  
on behalf of the Minister for Agriculture  
and Rural Development]*

Sessional Paper No.2 of 2000 on Non-performing Government Donor Credit with the Co-operative Bank of Kenya

*(By the Minister for Finance)*  
**NOTICE OF MOTION**

LEAVE TO INTRODUCE FAMILY PROTECTION BILL

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

THAT, this House do grant leave to introduce a Bill entitled the Family Protection Act to consolidate the laws relating to maintenance, to provide for protection against all forms of domestic violence, and to provide for distribution of matrimonial property.

### ORAL ANSWERS TO QUESTIONS

*Question No.025*

DETENTION OF VILLAGERS AT  
SIAYA POLICE STATION

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

(a) why the following people were arrested at Rasanga Village in Ojwando "A" Sub-Location on 19th February, 2000 and detained in police custody for more than 14 days without being arraigned and charged in a court of law: Joseph Okumu Rasanga, Bilha Akinyi Okumu, David Otieno, John Ogombe Okoth, Patrick Omondi Oduol, Rose Anyango, Peter Ombura Onyango and Jackline Anyango;

(b) why the police officers at Siaya Police Station refused to issue P3 forms to the victims on request, after they were repeatedly assaulted and tortured during their arrest and while in police custody; and,

(c) whether he could give assurance that the rights of the ordinary *mwananchi* will be respected at all times.

**Mr. Speaker:** Order! Hon. Members, I beg to bring to your attention that Question Time is, strictly, one hour. So, let us proceed on that understanding.

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

(a) It is not true that the suspects were detained for 14 days without being produced, or charged, in court. The suspects were arrested on 19th February, 2000; they appeared in court on 28th February, 2000, charged with abetting the escape of prisoners from lawful custody, malicious damage to property, and creating disturbance in a manner likely

to cause a breach of the peace.

(b) The suspects did not ask the police to provide them with P3 forms. There is no evidence to show that the suspects were tortured or assaulted. Further, the suspects did not complain to the court, or any other authority, regarding the alleged torture or assault.

(c) The laws of the land are clear on the protection of the rights and freedoms of all citizens. Anybody found abusing those rights and freedoms will be dealt with accordingly.

**Mr. Oloo-Aringo:** Mr. Speaker, Sir, this is not just a routine Question; the Assistant Minister is treating it as a routine Question. More recently, citizens in Kendu Bay, literally, took over the Police Station because of continuous abuse of human rights. This is an indication of what might happen in future once people realise that they are being insulted, assaulted and tortured by those who are supposed to protect them. Could the Assistant Minister give us assurance that the abuse of human rights of people in villages and the slums of this country will stop? Those are the areas where the police and officers of the Provincial Administration, particularly chiefs and assistant chiefs, abuse and violate the human rights of our people.

**Mr. Samoei:** Mr. Speaker, Sir, I undertake to ensure that the rights of every citizen in this country are respected. The police and the other arms of the Government will see to it that the rights of everybody are respected as per the Constitution. However, I would like to state that incidents such as the one referred to by the hon. Member, where members of the public took the law into their hands and overran police stations, will be dealt with, with equal force.

**Mr. Ochilo-Ayacko:** The Assistant Minister has said that these people were arrested and charged in court. Could he tell us why the police found it necessary to keep these people in custody for the simple offenses that they allegedly committed, if it was not intended to have them tortured? The law stipulates that somebody should be charged immediately he is arrested.

**Mr. Samoei:** Mr. Speaker, Sir, I do not know whether the hon. Member is competent to say which crimes are serious and which ones are not. However, I would like to say that the issues in question were very serious---

**Mr. Kathangu:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to doubt the competence of a lawyer, who is an hon. Member, when he knows which laws are attached to the Question that he is answering here, and when he is a lay person in this field?

**Mr. Speaker:** Mr. Kathangu, I am sure that you are not asking me to rule that every time a lawyer opens his mouth in this House, he or she shall not be contradicted. Proceed, Mr. Assistant Minister.

**Mr. Samoei:** Thank you, Mr. Speaker, Sir. The issues that were raised by the police concerning the suspects who were arrested were, to the best of my knowledge, very serious.

**Mr. Magara:** Thank you, Mr. Speaker, Sir. The police have a right to detain a person for 14 days for an offence which is not capital as per the law. But for such offenses like these ones here, the police are not supposed to keep a suspect in custody for more than 24 hours. We had a similar incident here last week whereby the police arrested people and detained them in police custody for over 20 days. Could the Assistant Minister clarify to this House why the police keep suspects in police custody for more than the stipulated time by the law?

**Mr. Samoei:** Mr. Speaker, Sir, While I agree with the hon. Member on some of the issues he has raised, I would like to say that in this particular case, the court was duly appraised of the suspects who were being held by the police, and to the best of my knowledge, that is within the law.

*Question No.037*

SHORTAGE OF COTTON SEED IN KARACHUONYO

**Dr. Awiti** asked the Minister for Agriculture:

(a) whether he is aware that there is a serious shortage of seed cotton variety for farmers in Karachuonyo;

(b) whether he is further aware that cotton growing farmers buy farm inputs (seeds, fertilizers and insecticides) at exorbitant prices and that there are no extension services offered in the area; and,

(c) if the answers to "a" and "b" above are in the affirmative, what urgent measures the Ministry is taking to improve the situation.

**The Assistant Minister for Agriculture and Rural Development (Mr. I.K. Ruto):** Mr. Speaker, Sir, I beg to reply.

(a) At the advent of liberalisation, distribution of seeds of various varieties has been handed over to the private sector. It is possible that the various seed agencies have not placed themselves appropriately to be able to supply Karachuonyo with enough seeds of the varieties they may require.

(b) At present, Kenya is under liberalised condition and the Government does not regulate prices of both farm inputs and products. Prevailing market forces are left to set the market prices. What is possible is that Karachuonyo Division has few farm input traders, some of whom try to hike prices above average due to low competition. The Ministry of Agriculture and Rural Development staff is working with farm groups and local traders to start new farm inputs so as to improve distribution. This is a long-term strategy to stabilise prices.

(c) The Ministry has experienced low extension activities in the field in the last one year due to low budget provisions in agricultural programmes. However, the Ministry is re-organising its extension services where more staff are being posted to districts and divisions. So far, Karachuonyo District has received Kshs2.5 million to support field extension. Part of this money is going to Karachuonyo Division. The Ministry is also implementing livestock development projects in Nyanza Province and Karachuonyo is covered.

**Dr. Awiti:** Mr. Speaker, Sir, I am very surprised to note from the Assistant Minister's answer that Karachuonyo farmers have now been abandoned by the Government. We know that during the colonial time, cotton industry in this area was thriving. During the last ten years, the cotton industry has been declining. But lately, when liberalisation--

**Mr. Speaker:** Dr. Awiti, this is Question Time!

**Dr. Awiti:** Mr. Speaker, Sir, could the Assistant Minister confirm or deny that the Government has abandoned the farmers of Karachuonyo?

**Mr. I.K. Ruto:** Mr. Speaker, Sir, far from that, the Government has not abandoned the farmers from Karachuonyo and that is why I have clearly stated in my answer that we are now working with the local farm groups and traders to help alleviate the problem of shortage of seed. However, I mentioned that the work that used to be done by the Cotton Board of Kenya has been privatised.

**Mr. Raila:** Mr. Speaker, Sir, these days, the Government seems to do nothing in the name of liberalisation; that we are now operating under a liberalised market, and therefore, there is nothing we can do. The Government has got agricultural officers in the field. What are those officers doing, if the market is liberalised and, therefore, they are not supposed to do anything? Is he justified in saying that they cannot do something with regard to seed which is a very major input in farming?

**Mr. I.K. Ruto:** With due respect, Mr. Speaker, Sir, I might be repeating this, but I only want to indicate that liberalisation does not mean abandoning farmers. I have clearly indicated that the work of the extension officers in the field is to provide the expert advice; to lead in terms of varieties, assist in the recommendation of the right fertilizer and planting time and help organise co-operatives for purposes of marketing. Therefore, the Government has not in anyway abandoned these areas. Liberalisation does not mean absconding duty.

**Mr. Raila:** On a point of order, Mr. Speaker, Sir. The Assistant Minister has just said here in his answer that the Ministry has experienced low extension activities in the field in the last one year due to low budget provision in agricultural programmes. Therefore, there is no sufficient provision. Is he, therefore, not misleading the House by saying that he has not abandoned the farmers when he has not given his officers in the field enough money to provide the services?

**Mr. Speaker:** You should have asked that as a supplementary question!

**Mr. M.A. Galgalo:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead the House that the Cotton Board of Kenya has been liberalised, when all that he has done is to sell the ginneries? This is because the officers in the Cotton Board of Kenya are still there. Is he in order to mislead the House?

**Mr. Speaker:** Mr. Ruto, what does liberalising the Cotton Board of Kenya mean? You either disband it or it is there.

**Mr. I.K. Ruto:** Mr. Speaker, Sir, I talked about some of the work that was done by the Cotton Board of Kenya; I never talked about liberalising the Cotton Board of Kenya. I think the hon. Member should get me right. Back to what hon. Raila has said, I have indicated that we have just released Kshs2.5 million to Karachuonyo District to help in extension services.

**Col. Kiluta:** Mr. Speaker, Sir, in view of the answer given by the Assistant Minister here that the extension officers are only there in their advisory capacity; and in view of the fact that we are really trying to retrench people and we know they are not doing anything, can the Assistant Minister consider retrenching these people so that we can save money instead of spending it on people who are doing nothing there?

**Mr. I.K. Ruto:** Mr. Speaker, Sir, the work of the extension staff has not in any way diminished. In fact, they are doing what they have always been doing. I do not know whether the hon. Member expected our extension staff to actually participate in the tilling of the land or planting of cotton.

**Mr. M.M. Galgalo:** On a point of order, Mr. Speaker, Sir. Liberalisation took place just the other day. Is this Assistant Minister in order to tell us that the cotton industry has failed because of liberalisation when it is known that

cotton ginneries and industries started closing down in the 1970s before liberalisation took place?

**Mr. I.K. Ruto:** I have not said the cotton industry has collapsed due to liberalisation. I do not know where the hon. Member got that from. Therefore, I think that the need for an answer does not arise.

*Question No.056*

ADJUSTMENTS OF TEACHERS' SALARIES IN NDHIWA

**Mr. Ojode** asked the Minister for Education:-

(a) what causes delay in effecting salary adjustments for teachers who have been promoted on merit in Ndhiwa Constituency; and,

(b) if he could explain why teachers in hardship areas who were paid arrears are being forced to pay back the money.

**The Assistant Minister for Education, Science and Technology** (Mr. Awori): Mr. Speaker, Sir, the officers concerned with this Question gave us inadequate information. We have discussed this with the hon. Questioner and he has agreed that we can defer this question until further notice.

**Mr. Speaker:** This week?

**The Assistant Minister for Education, Science and Technology** (Mr. Awori): Thursday, this week will be alright.

**Mr. Speaker:** Is that alright, Mr. Ojode?

*(Loud consultations)*

**Mr. Speaker:** Order! We can hardly transact business. There is too much consultation. Can we allow the Business of the House to flow? Proceed, Mr. Ojode.

**Mr. Ojode:** Mr. Speaker, Sir, indeed it is true that the Assistant Minister was requesting for more time to get a satisfactory answer. I did ask him the type of answer he had because he said that it was inadequate. Why can he not give us that answer so that we can see for ourselves---

**Mr. Speaker:** Mr. Ojode, the problem there is that if you insist that you want an answer that the Assistant Minister is not satisfied with, I will not allow you to quarrel the Assistant Minister. You will be obliged to accept that answer however bad it is and I do not think that is fair to the House. So, can I defer it to Thursday?

**Mr. Ojode:** Yes, Mr. Speaker, Sir.

**Mr. Anyona:** On a point of order, Speaker, Sir. On many occasions Ministers come to the House and say that they have been given wrong answers. It is a very good thing that they should be truthful with the House. What do we do with public officers who in the first place, mislead their own Ministers and by default, therefore, mislead the House? Can this House go on accepting this request from Ministers when we know where the source of the problem is? Can that source of the problem be dealt with? What are Ministers going to do to ensure that their officers give them correct answers?

**Mr. Speaker:** Let us deal with the Ministers here. How they deal with their officers is their headache. The Question is deferred.

*(Question deferred)*

*Question No.090*

ADMINISTRATION OF LATE FUMWA'S ESTATE

**Mr. Osundwa** asked the Minister for Lands and Settlement:-

(a) if he is aware that the District Land Registrar, Kakamega has transferred land Ref.East/Wanga/Isongo/1696 belonging to the late Wafula Fumwa to Rose Musenya Wabwire, without regard to the rightful administrator of the estate of the deceased;

(b) if he is further aware that the administrator of the deceased estate Mr. Wabuti Mwandia was arrested for trespassing on the said land; and,

(c) what urgent steps he is taking to ensure this land reverts to the original owner.

**The Assistant Minister for Lands and Settlement** (Mr. Tarar): Mr. Speaker, Sir, I beg to reply. (a) I am aware that the District Land Registrar, Kakamega, has transferred land Ref.East/Wanga/Isongo/1696 belonging to the late Wafula Fumwa to Rose Musenya Wabwire and the right procedure was followed as required by the law.

(b) I am not aware that the administrator of the deceased's estate, Mr. Wabuti Mwandia, was arrested for trespassing on the said land.

(c) I have no powers under the law to cancel the registration of the transfer and revert the land to the administrator of the deceased's estate, Mr. Wabuti Mwandia. The administrator should be advised to seek redress from the court of law.

**Mr. Osundwa:** Mr. Speaker, Sir, the Assistant Minister says that the right procedure was followed when transferring this title deed. I have documents here showing that the deceased, Mr. Fumwa, passed away in 1997, yet the DO who chaired the land board which transferred this land, did this in 1997 and purportedly saw Mr. Wafula Fumwa physically, one year after he had died. Can the Assistant Minister confirm to this House that the right procedure was not followed because a dead man cannot rise from the grave one year after his death and come to transfer his land in 1998?

**Mr. Tarar:** Mr. Speaker, Sir, the District Land Registrar did not commit any offence under the law. He merely registered the transfer of the land Ref.East/Wanga/Isongo/1696 from Rajab Mzee Wafula to Rose Musenya Wabwire as part of his normal duties after receiving the letter of consent from the Land Control Board. The registration was done on 20th April, 1998.

**Mr. Osundwa:** Since it is obvious that the DO who chaired this land board is under the Office of the President, could this Question be referred to the Office of the President so that the Minister in charge can answer it here?

**Mr. Tarar:** Mr. Speaker, Sir, I do not have any problem with that Question being referred to the Office of the President.

**Mr. Speaker:** Which Question?

**Mr. Tarar:** Mr. Speaker, Sir, hon. Osundwa is requesting the Chair to give him time to take back this Question to the Office of the President to be answered correctly.

**Mr. Osundwa:** Has the Question been deferred or not?

**Mr. Speaker:** It has not been deferred; it has been dealt with!

Next Question!

**Mr. Anyona:** Mr. Speaker, Sir, before, I ask the Question, I would like to make some correction in part "b" of the Question in the first line. The third word from the end is "supplies" and not "suppliers". Secondly, I have not received a written answer as is required by the rules.

*Question No.087*

MINISTRY OF HEALTH EXPENDITURE  
ON MEDICAL SUPPLIES

**Mr. Anyona** asked the Minister for Medical Services to inform the House:-

(a) the amount of money spent by the Ministry on the purchase of drugs and medical supplies in 1993, 1994, 1995, 1996, 1997, 1998 and 1999; and,

(b) the names of the manufacturers and suppliers of the drugs and suppliers who have not been paid for goods since 1990 and the total amount of money including interest and penalty owed by the Ministry to each and all the manufacturers and suppliers.

**Mr. Speaker:** Where is the Minister for Medical Services? Are you in any way disadvantaged by the amendment?

**The Minister for Medical Services (Dr. Anangwe):** Mr. Speaker, Sir, I did not even hear the amendment. I am wondering what he has amended.

**Mr. Speaker:** It is the sixth word on part "b" of the Question, line one which is "suppliers". Cancel the letter "r" and leave it to be "supplies".

**The Minister for Medical Services (Dr. Anangwe):** Mr. Speaker, Sir, I would be grossly disadvantaged because I brought "suppliers here" and not "supplies".

**Mr. Anyona:** Mr. Speaker, Sir, I am quite sure that I submitted the right Question and I believe the Clerk's office also did the same. I guess that was a typing error on the Order Paper, but if the Minister, indeed, reads that, it makes a drastic difference.

**Mr. Speaker:** Very, well. In all fairness, to give everybody an even playing field, I will defer the Question to Tuesday next week.

*(Question deferred)*

*Question No.035*

## SETTLEMENT OF CIVIL CASE NO.R131

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

(a) if he is aware that the Civil Case No.R131 of 1990 in the High Court of Kenya at Eldoret, between Mr. Davidson O. Saisi and another (Plaintiffs) versus Attorney-General and Mr. Francis Kidiavai Muhalule (defendants), payment has not been made as directed in the said judgement; and,

(b) when the plaintiffs will be paid.

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

(a) I am aware that the Civil Case No.R131 of 1990 in the High Court of Kenya at Eldoret, between Mr. Davidson O. Saisi and another (plaintiffs) versus the Attorney-General and Mr. Francis Kidiavai Muhalule (defendants), has been concluded.

(b) The plaintiffs have already been paid the principal amount.

**Mr. Obwocha:** Mr. Speaker, Sir, I wish to formally complain that this Question had been asked during the last Sessions. I started asking it from 1997 to 1999. Now, we are in the year 2000. If this is the way the Office of the Attorney-General treats people who are supposed to be paid their dues, because of certain omissions by the Government, it is very unfair.

Could the Attorney-General give specific details on dates when they were paid and the cheque number? This is because this was a case of 1990. Indeed, if they have been paid, please, could he give the details?

**Mr. Wako:** Mr. Speaker, Sir, I must state quite clearly that this is the first time I am answering this Question in this National Assembly. I do not know about 1997, 1998, 1999 and 2000. Therefore, the hon. Member's wrath should not go to the Office of the Attorney-General. According to the information that I have, there was a payment voucher--- Cheque No.025080 of 11th November, 1999.

**Mr. Obwocha:** Mr. Speaker, Sir, the Attorney-General is making me to appear as if I am saying untruths in the House. What I mean is that I filed this Question normally as we do, but that Session went on---

**Mr. Speaker:** Could you forget about the history of that Question? The House does not know of any Question or matter, until it arrives here!

**Mr. Obwocha:** Mr. Speaker, Sir, now that the Office of the Attorney-General delayed those payments for approximately ten years, could he concede to pay interest to those plaintiffs?

**Mr. Wako:** Mr. Speaker, Sir, the issue of interest is being looked into.

**Mr. Speaker:** Very well. We go to Questions by Private Notice.

**QUESTIONS BY PRIVATE NOTICE**

USE OF POLYATOMIC APHERESIS  
IN HIV/AIDS MANAGEMENT

**Dr. Kulundu:** Mr. Speaker, Sir, I beg ask a Minister of State, Office of the President, the following Question by Private Notice.

Why does the Government still allow Dr. Basil Earle Wainwright alias "Dr. Stone" to use polyatomic apheresis in the management of HIV/AIDS cases in the country?

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Speaker, Sir, I spoke to the Questioner and I advised him that I will direct this Question to the Ministry of Health.

**Mr. Speaker:** Are you alright, Dr. Kulundu?

**Dr. Kulundu:** Mr. Speaker, Sir, I directed this Question to the Office of the President for two reasons. One of them is that HIV/AIDS programme was transferred to the Office of the President. Secondly, I have information that people protecting the so-called "Dr. Stone" operate from State House.

*(Applause)*

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Speaker, Sir, licensing of practising doctors and the actual management of HIV/AIDS remains the responsibility of the Ministry of Health.

**Mr. Speaker:** Very well. I will re-direct the Question to the Ministry of Health.

**Mr. Maore:** On a point of order, Mr. Speaker, Sir. This Question has nothing to do with the Ministry of Health in the sense that it is the Immigration Department that is supposed to deport illegal aliens or practitioners is in the Office of the President and not the Ministry of Health.

**Mr. Speaker:** Mr. Maore, the Question is: Why does the Government still allow Dr. Basil Earle Wainwright alias "Dr. Stone" to use polyatomic apheresis in the management of HIV/AIDS cases in the country? The Minister is right. So, let those ones who are qualified deal with it. So, the Question is re-directed immediately to the Ministry of Health. Next Question, Mr. Kathangu.

*(Question deferred)*

TRANSPORT LICENSING BOARD  
REQUIREMENTS ON SPEED

**Mr. Kathangu:** Mr. Speaker, Sir, I beg to ask the Minister for Information, Transport and Communications the following Question by Private Notice.

Following the worst accident witnessed in Kenya's history along Nakuru-Kericho Road on 30th March, 2000:-

(a) Could the Minister update the House on the TLB requirements on speed?

(b) Could the Minister give the time schedule of the two buses involved in the accident from their departure station to their intended destinations?

**The Minister for Information, Transport and Communications** (Mr. Mudavadi): Mr. Speaker, Sir, I beg to reply.

(a) The Transport Licensing Board (TLB) has no requirements on speed. Such requirements are contained in the Traffic Act (Cap 403) Section 42 of the Laws of Kenya.

According to this Act, speed for all commercial vehicles, motor cars or minibuses, matatus and public service vehicles, excluding self-drive hire cars, and travelling on any type of road is limited to 80 kilometres per hour.

(b) The Akamba Bus had a timetable as required by law. It left Kisumu at 10.15 a.m. and it was supposed to arrive in Nairobi at 5.30 p.m. To-date, the management of Shaggy Bus are yet to produce a timetable for its bus. According to the records held by the Registrar of Motor Vehicles, there is still no clear indication that, that bus held any TLB licence or it had applied for one. In this regard, therefore, it is apparent that the bus was operating without a TLB licence. Investigations have been instituted with a view to taking the necessary legal action against the operators or any other parties who may have been negligent in enforcing the Traffic Regulations.

Mr. Speaker, Sir, in giving this response, I wish to state very clearly that after thorough scrutiny and several discussions with the Registrar of Motor Vehicles, the TLB and Traffic Commandant, we have found that there was definitely lack of co-ordination and flow in the implementation of the Traffic Regulations. Equally, we have found that the penalties under the TLB are extremely lenient. Under Section 21 of the Transport Licensing Act, the maximum penalty for any vehicle that has not complied with the Transport Licensing Act is only Kshs5,000.

Mr. Speaker, Sir, we have also discovered that in the issuance of licences, there is provision for issuance of interim licences for three months and DCs have the mandate to issue this and we have noticed that there has also been laxity in the issuance of these licences. So, as I speak, I wish to tell the House that these faults have been detected and we have immediately instituted the corrective measures. We are also working to bring amendments to the Transport Licensing Act, so that those flaws can be corrected and in the process, be able to contain the kind of problems we have seen following this specific accident.

**Mr. Kathangu:** Mr. Speaker, Sir, I wish to thank the Minister for that honest answer, but I also want to know when he intends to bring those amendments to this House. He should also tell the House whether the amendments will disqualify the Provincial Administration from dealing with licensing, because they are the ones who are promoting corruption in that sector?

**Mr. Mudavadi:** Mr. Speaker, Sir, it is my wish that we will try to bring those amendments during this Session. At the same time, as I have said, we would want to harmonise all the rules related to the road sector, because there is a major problem. We have the Traffic Act and the Transport Licensing Board (TLB) handling different aspects, and that has created a lot of confusion. People are beginning to pass the buck when we put them to task in terms of who is supposed to have implemented what. So, I hope before the end of this Session, we will have some proposals which can be deliberated upon by this House and hopefully institute corrective measures.

**Mr. Maore:** Mr. Speaker, Sir, before the Ministry of Information, Transport and Communications did implement, or revitalise the TLB, there was a lot of outcry from the stakeholders. They complained that the



Government was becoming hard all of a sudden and from nowhere and the real motivation was just to collect revenue, because there was a shortfall in Government revenue at that time.

Could the Minister give an undertaking that he will revitalise the TLB to make it effective; not just in collecting money, but increasing safety and civilisation on our roads?

**Mr. Mudavadi:** Mr. Speaker, Sir, I take that comment into account. As I said, since we want to bring proposals to this House in order to amend this Act, I will definitely seek the help of this House to ensure that we tighten those loopholes.

**Mr. Ndicho:** Mr. Speaker, Sir, every Kenyan knows that the cause of the recent Kericho accident and many others is not the TLB, or the issuance of road licences; it is the state of the roads in this country and the buses being driven at reckless speed. Out of that, what is the Minister planning to do to harmonise his Ministry with the Road Department to make sure that the roads are okay? He could as well transfer the Police Traffic Department to his Ministry, because they are doing nothing. Could the Police Traffic Department be transferred to his Ministry so that there is direct supervision and check on speed and the potholes on our roads?

**Mr. Speaker:** I do not know whether Mr. Mudavadi can allocate himself duties. So, Mr. Mudavadi, you cannot answer the other bit. Answer what you can. Proceed.

**Mr. Mudavadi:** Mr. Speaker, Sir, the most important thing to do is to harmonise the laws, and that is what we intend to try and quickly do.

Mr. Speaker, Sir, on the issue of roads, I think under the Ministry of Roads and Public Works, there was a creation of the Roads Authority Board and that will be the most competent body to deal with the question of potholes.

**Mr. Speaker:** Next Question, Mr. Musila

STAFF ESTABLISHMENT FOR  
MWINGI DISTRICT HOSPITAL

**Mr. Musila:** Mr. Speaker, Sir, before I ask my Question, I wish to inform the Chair that up to now, I have not received a written reply to this Question in accordance with our House rules. However, I beg to ask the Minister for Medical Services the following Question by Private Notice.

(a) What is the staff establishment for Mwingi District Hospital for all cadres of staff?

(b) What is the present staff strength?

(c) What action is the Minister taking to ensure that the hospital and other health institutions in the district are adequately staffed in order to meet the increased volume of work in these institutions?

**The Minister for Medical Services (Dr. Anangwe):** Mr. Speaker, Sir, I beg to reply.

(a) Mwingi District Hospital has a staff establishment of 192 for all cadres of staff.

(b) The present staff strength for the hospital is 124 for all the cadres of staff.

(c) Mwingi District Hospital and other health institutions are currently under-staffed due to Government freeze on employment. The situation will be addressed once rationalisation and right-sizing exercise is complete.

**Mr. Musila:** Mr. Speaker, Sir, from the Minister's reply, it is clear that Mwingi District Hospital is very much under-staffed and I would like to inform him that this hospital is almost unoperational. Since March last year, a total of 18 members of staff, including three doctors, were posted to Mwingi District hospital and none has so far reported. Could the Minister tell this House why 18 members of staff who were posted to Mwingi District Hospital since March last year have not reported to-date?

**Dr. Anangwe:** Mr. Speaker, Sir, it is true that between September 1999 and April 2000, we posted a total number of 18 members of staff to the hospital. Out of this, four were doctors and 10 were nurses. All the doctors posted to Mwingi District Hospital have since resigned from the Government Service, and the nurses did not report. However, I have taken contingent measures. Indeed, on 6th April, this year, I posted Dr. Tigo Nicholas Mutua to that hospital in order to increase the number of doctors from one to two.

**Mr. M.A. Galgalo:** Mr. Speaker, Sir, first, Mwingi District Hospital also serves as a referral hospital to the people of North Tana Division. So, arising from the reply from the Minister and since 18 officers who have been posted there have refused to take up their jobs and at the same time the Minister has removed eight officers from that hospital, is that not an apathy towards the people of that region? Can the Minister not enforce the trespass rule, or post officers there?

*(Laughter)*

**Dr. Anangwe:** Mr. Speaker, Sir, I did not hear what he said.

**Mr. Speaker:** Order! He said that four doctors were transferred by you to that hospital and they refused to go and resigned. Fair enough, because regarding those ones, you cannot do anything. But the 10 nurses you transferred there refused to report and you have not told us what you did about them. Therefore, he is asking: Why are you not taking action?

**Dr. Anangwe:** Mr. Speaker, Sir, as I have already said, there is a right-sizing exercise going on in the Ministry and it will soon be completed. The whole purpose of the exercise is to see which numbers could be increased in terms of cadres, and when that particular exercise would be completed, I will deploy---

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

**Mr. Speaker:** Order! That is not what he asked. He wants to know about the 10 nurses who you sent to Mwingi and refused to report. What did you do to those nurses?

**Dr. Anangwe:** Mr. Speaker, Sir, the predicament of these 10 nurses is understandable. Some are married women and, in this particular case, they have a station in Embu. Given those circumstances, I have directed the cases to be reviewed so that new redeployment---

**Mr. Sambu:** On a point of order, Mr. Speaker, Sir. It is not only nurses posted to Mwingi who do not report. Even nurses who are usually posted to Nandi District run away. There is something completely wrong in this Ministry, particularly with the training and the posting of the nurses. Is he in order to mislead the House that it is only nurses posted to Mwingi District who are married? This is because, even those who were posted to Nandi District were not married, but they still did not stay.

**Dr. Anangwe:** Mr. Speaker, Sir, it is true that the deployment of staff, particularly the nurses in most health institutions in the country, is wanting. Indeed, there is a bias for them to be posted to provincial hospitals, but when it comes to the remote parts of Kenya, many of them are reluctant to work in those areas. Although we have provided that civil servants should be ready to work anywhere, we have also to bear in mind their levels of motivation. We hope, with the right-sizing and rationalization process, and particularly with increased training, we should be able to do so.

**Mr. Oloo-Aringo:** On a point of order, Mr. Speaker, Sir. Are you satisfied that the Minister is addressing the question which was raised? Why can he not tell us what action he took against those nurses who refused to report for duty?

**Mr. Speaker:** I think, in all honesty, this is a very crucial Question, and your reply will have devastating effects on the medical services in this country. This is because what the hon. Members are asking you is whether medical staff are at liberty to refuse to be posted to areas that they do not like.

**Dr. Anangwe:** Mr. Speaker, Sir, what the Ministry has done is, of course, to seek explanation from these particular officers who were deployed and they did not report for duty. In the case of those who resigned, there is nothing we can do because they quit the Civil Service. I should be able to report and make a statement in future on the general deployment and training of nurses and clinical officers in the country.

**Mr. Oloo-Aringo:** Mr. Speaker, Sir, did you hear what he said? For the first time, I have heard a Minister tell this House that there is nothing he can do, and yet he is the head of the Ministry! Is it not a part and parcel of his responsibility to provide leadership and act on behalf of the Government of Kenya?

**Mr. Speaker:** Mr. Oloo-Aringo, I think there is nothing the Chair can do. It is for you to judge!

**Mr. Musila:** Mr. Speaker, Sir, I have a lot of respect for this Minister. However---

*(Loud Consultations)*

**Mr. Speaker:** Order! Order! Maybe some of the hon. Members who make it impossible for the House to follow the proceedings on this matter, are the beneficiaries of these defiant nurses. But there are many other hon. Members whose areas are having acute problems, because nurses have disobeyed the Minister. So, could we hear what is happening? Proceed!

**Mr. Musila:** Mr. Speaker, Sir, I have a lot of respect for this Minister, but he knows very well that 18 medical staff, including three doctors posted to Mwingi District Hospital since March, have not reported for duty todate. At the same time, the Ministry has redeployed elsewhere, eight medical staff members without replacement.

The Minister has also stated that on 6th April, 2000 he posted a doctor to Mwingi District Hospital to add up to two doctors at the hospital. I would like to inform him that I was at Mwingi yesterday, and that doctor had still not reported for duty.

Mr. Speaker, Sir, I would like to request that you defer this Question, so that the Minister can give a satisfactory answer to the House. In fact, he has not even given me a written answer.

**Dr. Anangwe:** Mr. Speaker, Sir, with respect to the comment which hon. Member made, I said, for those who resigned and decided to quit, there was nothing we could do, because they chose to leave. In response to the

question Mr. Musila has raised about nurses who were deployed and did not turn up, I pledge to look into this particular case and report back to the House. As concerns Dr. Tigo Nicholas Mutua not reporting, I would like further to inform him that, this gentleman was posted on 6th April, 2000, but I know that he was undergoing internship at Chogoria Hospital. I will still find out why he has not yet reported for duty.

**Mr. Speaker:** Would I be fair to both of you to give you another week to look at it? So, the Question is deferred for now.

*(Question deferred)*

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

**Mr. Speaker:** Order! No further points of order. I have deferred the Question for a week. It has left my hands now.

**Mr. Katuku:** On a point of Order, Mr. Speaker, Sir. This is a nationwide problem. I do not think the Minister is in order to mislead the House when he knows the problem. The problem we have is that, people who were recruited into nursing by Mr. Boit were recruited on tribal lines and they have their godfathers. That is why they can afford to defy the Minister's deployment.

**Mr. Speaker:** Order! Order! Mr. Katuku, you should have waited for the Question to come back to the House, put it to the Minister, so that he can either agree or refuse to agree with you. As it were, you were taking unfair advantage when the Question has left the Chamber, to put that question to the Minister. But to be even-handed, would the Minister like to respond to that serious allegation by Mr. Katuku?

**Dr. Anangwe:** Mr. Speaker, Sir, I accept what he has stated, that many of the complaints come from many areas. I said I was quite prepared to make a Ministerial Statement on this particular matter.

Mr. Speaker, Sir, regarding the Kenya Medical Training College, there is a presupposition that those areas that are able to bring forth candidates for training are well supplied. In fact, it is a general problem including those areas where the said candidates come from. So, it is not an issue for the moment.

**Mr. Speaker:** Next Question!

#### NON-PAYMENT OF SALARIES TO MATUU TOWN COUNCIL WORKERS

**Mr. Wambua:** Mr. Speaker, Sir, before I ask my Question, I would like to notify the Chair that it has been a tendency of some Ministers not to supply written replies to Questioners in time in order that hon. Members do not prepare adequately to ask supplementary questions. In this regard, I would like to request the Chair to take action on this matter.

Mr. Speaker, Sir, I would like to ask the Minister for Local Government the following Question by Private Notice:-

(a) Is the Minister aware that some workers of Matuu Town Council have not been paid salaries for over six months and that they are being intimidated and threatened with dismissal to stop them from demanding their dues?

(b) What action is the Minister taking to stop mismanagement of Council funds and ensure prompt payment of workers' salaries?

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

(a) I am aware that Matuu Town Council has been experiencing financial difficulties resulting in delays of payment of salaries. However, I am not aware of any intimidation of workers by the management to prevent them from demanding their dues.

(b) I am not aware that the Council's funds are being mismanaged. However, I am going to call investigations to be carried out to establish, if indeed, there is excess mismanagement of funds, and the Ministry will take appropriate action.

**Mr. Wambua:** Mr. Speaker, Sir, I am very surprised by the answer given by this Assistant Minister. Could he agree that I furnish him with the list of workers who have not been paid for the last ten months? Is the Assistant Minister aware, that even though they are not paying their workers' salaries, they bought a new car a fortnight ago?

**Mr. Hashim:** I am not aware of the purchase of a new car. As I stated earlier, the Ministry is aware of the financial difficulties facing Matuu Town Council.

**Mrs. Mugo:** Mr. Speaker, Sir, it is the practice throughout, including Nairobi, that Council staff are not paid. Surely, I hope the Assistant Minister does not want us to think it is because of the massive corruption being experienced that he cannot pay his staff. Could tell this House what plans the Ministry has to pay the staff, because

they have to pay for their children's education, food and medical expenses. Otherwise, he should resign as an Assistant Minister. He is not doing his job!

**Mr. Hashim:** Mr. Speaker, Sir, the Ministry is not concerned about the payments to members of staff, but the respective councils are handling this issue.

**Mr. Wambua:** Mr. Speaker, Sir, this Assistant Minister is not taking things seriously. Even if Matuu Town Council has got financial problems, what priorities does it have? It collects taxes. What other priorities does it have other than paying the workers?

**Mr. Hashim:** Mr. Speaker, Sir, we have instructed Matuu Town Council to take action on this issue. As long as the Council is facing financial difficulties and it has got no resources, there is nothing we can do.

**Mr. Speaker:** Next Question, Mr. Nyagah.

#### OWNERSHIP STATUS OF SHAURI MOYO ESTATE

**Mr. N. M. Nyagah:** Mr. Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) What is the ownership status of Shauri Moyo Estate, comprising 197 houses in Kamukunji Constituency?

(b) Could the Minister give names of all head tenants associated with the Estate and further state who authorised the sale without the authority of a full Council Minute.

(c) In view of the above, could the Minister inform the House the action the Government has taken to address this issue?

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

(a) Shauri Moyo Estate is owned by Nairobi City Council.

(b) The names of the head tenants are as per the attached list which I will now table. The Estate has not been sold and therefore, the issue of approval of sale does not arise.

*(The Assistant Minister laid  
the list on the Table)*

(c) The matter is pending before court and therefore, it is *sub judice*.

**Mr. Speaker:** What matter is pending in court?

**Mr. Kiangoi:** Mr. Speaker, Sir, part "c" of the Question is: "In view of the above, could the Minister inform the House the action the Government has taken to address this issue?" With regard to the issue of the tenancy, there is a case in court which involves the head tenants and the sub-tenants. That matter is pending in court.

**Mr. Speaker:** What is the number of the case?

**Mr. Kiangoi:** Mr. Speaker, Sir, the number of the case is High Court Case No.66 of 1997.

**Mr. Speaker:** Between who and who?

**Mr. Kiangoi:** Mr. Speaker, Sir, this case is between the head tenants, whose list I have tabled, and the sub-tenants whose list also I have here.

**Mr. Speaker:** Do you agree with that, Mr. Nyagah?

**Mr. N.M. Nyagah:** Mr. Speaker, Sir, the only correction that I would like to make is that this case is case No.66 of 1999. However, I do not want to touch anything about it.

**Mr. Speaker:** Very well, you deal with parts "a" and "b" of the Question.

**Mr. N.M. Nyagah:** Yes, Mr. Speaker, Sir. I would like to ask the Assistant Minister to go back to the Council that has purposely misled him. It has not been honest to him because I have documents here showing the Council Minutes of 1972 and letters from the various Town Clerks of the Council purporting to have sold the Estate. Can we be told whether this Estate has been sold or not? According to the records which I would like to table here, the Assistant Minister should be able to take his people to task.

**Mr. Kiangoi:** Mr. Speaker, Sir, I have tabled the names of the head tenants and I have also a list of the sub-tenants whose issue is part of this Question. I want to be very clear on this. This is a list that I have received and the houses have not been sold. If there are letters purporting to have sold the houses, as the hon. Questioner has rightly said, my position is that the houses have not been sold. But if there is clear evidence that the houses have been sold, I would like to be told so that I can take further action.

**Mr. Speaker:** Maybe, you can help me, Mr. Kiangoi. Was it a dispute between the head tenants and the City Council? This will enable me to know when we are going against the rule of *sub judice*. What was the dispute? What was the case all about?

**Mr. Kiangoi:** Mr. Speaker, Sir, I am aware. The dispute was between the head tenants and the sub-tenants. The people who were originally tenants had sublet these premises to some other people who are now referred to as sub-tenants. Eventually, these sub-tenants wanted to have their tenancy---

*(Hon. Keah entered the Chamber with  
a supporting clutch)*

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. Is it in order for hon. Keah to come into the Chamber with a weapon?

**Mr. Speaker:** Order! Yes, indeed, he is out of order. Hon. Keah, can you give out that offensive weapon at the Bar? The Orderly can pick it and bring it back to you.

**The Assistant Minister for Lands and Settlement** (Mr. Keah): Mr. Speaker, Sir, I have got a bad leg.

**Mr. Speaker:** Order! Hon. Keah, you need your third leg when walking. But you do not need it when you are seated. So, the Orderly can take it and keep it there. You will beckon and then it will be given to you.

*(Mr. Keah handed over  
his clutch to the Orderly)*

**Mr. Kiangoi:** Mr. Speaker, Sir, before hon. Keah came in with the "third leg", I was explaining that the dispute now lies between the head tenants and the sub-tenants in that, the sub tenants want direct tenancy from the Council. They want to take over as tenants from the Council. That is the issue that is pending before the court as I had mentioned before.

**Mr. Speaker:** So, we are patently very close to being *sub judice*. Are we not? Can you tell me why we are not?

**Mr. Raila:** On a point of order, Mr. Speaker, Sir. The Assistant Minister should go and do more homework. The question of head tenants arose in 1938, when the then Africans who were living in Pangani Estate were being moved out during the segregation period. This Estate was constructed and they were settled there as head tenants and then they were allowed to sublet those houses. This is a very special case and the Assistant Minister needs to do more homework. The document which hon. N. Nyagah has tabled here includes minutes of the Council meeting of 16th June, 1979, where the Council resolved to hand over these houses to head tenants. There is also a ruling by the Court of Appeal giving these head tenants the ownership of the houses because they had paid the City Council some money. So, the Government needs to resolve this matter by giving the Assistant Minister proper information so that he can make an informed decision, other than just coming to the House here and denying everything. The City Council received money, and therefore, the Assistant Minister needs to do more homework.

**Mr. Kiangoi:** Mr. Speaker, Sir, I have not denied anything. There is no court of appeal case that I am aware of. I know that there was a High Court Case between the Council and the head tenants, which was High Court Case No.422 of 1980. That was a different matter. In my view, there is no homework that I will do unless it is specified what kind of homework I should do.

**Mr. Speaker:** Order! I understand from both Mr. N. Nyagah and the Assistant Minister, that there is, indeed, a case between the head tenants and the City Council, or the head tenants and sub-tenants, as to who should pay directly to the City Council. I think this is not the first time this Question has been brought here! It has been brought several times. I know that it is a sensitive issue, but unless the two of you; that is Mr. N. Nyagah and the Assistant Minister, avail the pleadings to me, so that I can know whether we are breaching the rule of *sub judice* or not, I really do not know what to do! For example, in all fairness, I cannot order the Assistant Minister to go and make a decision that would prejudice what is before the court! The Assistant Minister cannot go and make a judgement on a case that is pending in court. I cannot allow him to do that!

**Mr. Raila:** On a point of order, Mr. Speaker, Sir. You are perfectly right. I do not want to challenge your ruling. But what I can tell the Assistant Minister is that, he has not seen the documents which have been given here. Rather than dropping the Question, all that we are asking is your ruling, that the Assistant Minister should look at the documents and come back to the House. We want this Question to be retained because so many sub-tenants are in danger of being evicted, unless the Assistant Minister studies this document and comes up with a proper ruling.

**Mr. Speaker:** Hon. Kiangoi, normally, when documents are tabled here, they are intended to be read by those concerned. In fact, they are intended to be read by the totality of the House! The fact that most of us do not read them does not detract from the fact that, that was the intention! I am sure the Assistant Minister will take up that issue and read the relevant documents. It is also absolutely important to understand that, when a section of the society is

under the threat of being thrown out into the cold, it is a matter that requires the urgent attention of those concerned. So, I will ask the Assistant Minister to study those documents and if necessary, he may wish to come back to the House. I will leave the matter open and the two of you can consult. This may reinstate the purpose of coming to the House for the same objective.

### MINISTERIAL STATEMENTS

#### DISAPPEARANCE OF POKOMO TRIBESMEN

**The Minister of State, Office of the President (Maj. Madoka):** Mr. Speaker, Sir, following a request for a Ministerial Statement by hon. Kamolleh, regarding the disappearance of three people from Tana River and Garissa Districts, I wish to state as follows:-

There has been some tension building up along the common border of Garissa and Tana River Districts, between the Pokomos and the Somali tribesmen. The tension has stemmed from the assumption by the Pokomos that the Somali pastoralists have been grazing their livestock on the Pokomos' farms adjacent to the Tana River. Whereas this allegation is not entirely untrue, such incidents have been few and were successfully arbitrated by elders from both sides amicably in the past.

Mr. Speaker, Sir, events leading to the present tension, which culminated in the disappearance of the three Pokomos are as follows:-

On the 28th of March, 2000, at about 5.00 p.m., a group of Pokomo tribesmen crossed the Tana River at Malindi ya Ngwena, and set on fire nine grass-thatched huts belonging to the Somalis. It is alleged that the motive behind the arson was a revenge against the Somalis, for grazing their animals on farms belonging to the Pokomos. On the 29th of March, 2000, at about 5.00 a.m., three Pokomo tribesmen from Laza area in Hola namely; Hamisi Jara, Salim Jara and Mohamed Hawal, went to fetch reeds used for thatching huts along the banks of Tana River. But they never returned home. It is suspected that they were abducted by the Somali pastoralists who were angered by the torching of their huts. The search for the three missing persons has been unfruitful to date, despite intensive concerted efforts by the police and members of the public. The police are also investigating both incidents, with a view to apprehending the arsonists and those who are behind the mysterious disappearance of the three Pokomos.

In addition to those efforts, on 2nd April, 2000, the District Officers for Masalani and Galole Divisions, together with their chiefs and elders, held public barazas to diffuse the tension between the two tribes. It was agreed thereafter that, 15 elders from each community should meet on 6th April, 2000, to resolve the matter amicably. Unfortunately, the meeting which was to be held on the 6th of April did not materialise as gangs of unruly youths, suspected to be Pokomos, disrupted the meeting, insisting that before a peace meeting can be held, the Somalis must first produce the abducted brothers of the Pokomos. An attempt to re-convene the elders peace initiative on the 13th of April was also unsuccessful.

On the 14th of April, 2000, Garissa and Tana River District Security Committees met with the chiefs and the elders from both communities, but the impasse could not be broken. The Pokomos insisted that the Somalis must first produce the abducted persons, while the Somalis persistently pleaded innocence in the matter. At the moment, the area is relatively calm and security personnel are on the alert in order to avert any confrontation between the two sides. Efforts to facilitate a reconciliation meeting between the elders are still in progress, and there is hope that there will be a breakthrough soon. A practical way of ensuring that both the Somali pastoralists and the Pokomo farmers have access to the waters of Tana River, without either group interfering with the livestock or crops of the other party, is being worked out to ensure harmonious co-existence.

Thank you, Mr. Speaker, Sir.

**Mr. Speaker:** Hon. Kamolleh, do you wish to seek some clarification?

**Mr. Kamolleh:** Yes, Sir! Mr. Speaker, Sir, whereas I do appreciate the response from the Minister, I tend to think that there is only one thing that we should do in this case. There are no security posts between the two communities. The two communities are far away from each other. Could the Government bring in some security forces nearby so that the two communities cannot attack each other? If we do that the Pokomos and the Somalis will never attack each other again because they know the security forces are nearby. The security post in the area is about 90 kilometres away from the point where they attack each other. That is what we are requesting.

**The Minister of State, Office of the President (Maj. Madoka):** Mr. Speaker, Sir, I entirely agree that the distance is very long for the security personnel. But we are carefully looking for ways to establish police posts in the area.

## BOARD MEETING IN DUBAI

**The Minister for Agriculture** (Mr. Obure): Mr. Speaker, Sir, last Thursday, the Member of Parliament for Kimilili Constituency, Dr. Kituyi, asked for a Ministerial Statement regarding Miwani Sugar Company.

Mr. Speaker, Sir, Miwani Sugar Company is a private company owned by Venessa Associates and the Government of Kenya on a 51/49 per cent basis. The 100th Board of Directors meeting of Miwani Sugar Company was held in Dubai, on the 8th of April this year. Clause 30 of the Company's Memorandum and Articles of Association allows general meetings and extraordinary general meetings of that company to be held at such venues as may be determined by the directors. The meeting was, therefore, convened and conducted in accordance with the internal rules of the company.

Mr. Speaker, Sir, the Government is concerned about the performance of Miwani Sugar Company. The performance of that company has been well below expectations. The company has made huge losses over the years. The company has not paid arrears for cane delivered by cane farmers. As a result, there are social and economic problems both in Nyando District and the region generally. The Miwani Sugar Company Limited is about the only sugar company in this region which has a refinery and a distillery with the capacity to manufacture industrial sugar. At the present time, as you know, we are spending large sums of foreign currency to obtain imports of industrial sugar. We are, therefore, very concerned about that state of affairs, and because of these concerns, the Government has been anxious for a long time to see Miwani back on its feet. It is because of this that we sanctioned a trip to Dubai and, therefore, sent a delegation to a board meeting of that company which was scheduled to take place in Dubai, basically to discuss and agree on a strategy to solve some of the problems which face Miwani.

Mr. Speaker, Sir, the trip was funded by Vanessar Associates at a cost of Kshs376,675 inclusive of air fares and accommodation for the directors who went there. I would like to say that at that meeting, several crucial decisions were taken with the objective of reviving the sugar company in order to enable it reduce arrears to sugarcane farmers. One of those decisions, for example, was to appoint an independent and professional management for Miwani Sugar Company. The second was to restructure the balance sheet in order to make the company bankable once again. The third decision was for the majority shareholder, that is Vanessar Associates, to inject Kshs50 million and for the company to be allowed to secure a loan of Kshs100 million immediately to improve the level of their working capital. A decision was also taken to buy additional boilers and a mill which would be necessary to sustain production at 2,500 tonnes of cane per day. Also, it will be necessary to develop a cane development programme which will be put in place to meet the requirements of raw materials for that company.

Mr. Speaker, Sir, it is hoped that after these measures have been instituted and implemented, Miwani Sugar Company will be back on a profit-making course and, thereafter, be viable.

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

**Mr. Speaker:** I hope it is a point of clarification since it is not a debate.

**Mr. Maore:** Mr. Speaker, Sir, it is exactly a point of clarification. Hon. Dr. Kituyi did not ask for those details the Minister has talked about, like millions of shillings and equipments. The gist of the question was to explain why the board of directors who included Government officers had to go to Dubai where Ketan Somaia lives because he cannot come here since the Parliamentary Reports of the PAC have been seeking for his appearance. Why does the Ministry and the Government make it easy for Ketan Somaia to summon Government officials to go to Dubai, instead of summoning him to come here and answer for the fraudulent activities he has been doing with the Government?

**The Minister for Agriculture** (Mr. Obure): Mr. Speaker, Sir, in fact, the details that I have just given the House are a response to hon. Kituyi's Question. He wanted us to also take this opportunity to brief the House on the restructuring arrangements we have put in place for Miwani Sugar Company. However, I would like to say that I have not been aware of these other problems of Somaia. In fact, in this case, I am looking far beyond Ketan Somaia. I am looking at the problems of the ordinary cane farmer in Nyando District who has suffered. I would rather think along those lines rather than whether Somaia has restrictions coming into Kenya and so on. However, I am concerned that we should get some action taken by that board of directors of which Mr. Somaia is the chairman and I am glad that at last we will be able to make some move forward in the light of the decisions taken.

**Mr. Sambu:** Mr. Speaker, Sir, the Government is going to throw good money after bad money. I challenge the Minister to table in this House documents which show and prove that Vanessar Associates did pay the Government for the 51 per cent shareholding. It never did such a thing. I know this because half of the sugarcane farmers for Miwani Sugar Company are from Nandi District and the other half are from Luo Nyanza. The Hindocha(?) family which owned the Miwani Sugar Factory for a long time had taken a loan of Kshs450 million from AFC. They defaulted in repaying it back and when they did so, this man called Somaia purported to repay on behalf of the Hindocha family. Vanessar Associates never paid any money to the Government and if it did, let the Minister table documents here and now to show that this Indian did actually pay any money. He did not pay any money and he is not

going to do so and that is why he prefers to operate from Dubai because he is a "conman".

**The Minister for Agriculture** (Mr. Obure): Mr. Speaker, Sir, the question raised is whether or not Ketan Somaia paid the amount to acquire his portion of the shares in that company. I have an agreement allotting these shares to Ketan Somaia. In that agreement, the shares are supposed to have been paid for in cash and one of the conditions was that the ownership does not pass on until that money is paid and, therefore, I have good reason to believe that the money was paid.

Mr. Speaker, Sir, the second question which hon. Sambu has asked is whether or not we are throwing good money after bad money and I think that is a matter of opinion. If we go through restructuring of that company, the fact that we will be able to make our industrial sugar locally and avoid having to spend large sums of foreign exchange to import it would be adequate compensation. Secondly, the social and economic impact in that region is one thing that persuades me more to take these measures.

**Mr. Anyona:** Mr. Speaker, Sir, this is a very important aspect of our economy and if Somaia is hiding in Dubai and is also involved in a very important project in our development; also if this House has questioned the activities of Somaia and he has refused to come before a Committee of the House, are we really in order as a Parliament and as a country to jeopardise that development by allowing a "conman" - I do not know if that is Parliamentary language - to be involved in a vital project of our development? What is the Government going to do? Can we not require that somebody else becomes chairman or takes the place of Somaia since we are holding the country at ransom?

**Mr. Speaker:** Mr. Obure, as you answer that bit of Mr. Anyona's question, I truly hope that next time Parliament requires Mr. Somaia, you will use your very good offices to let him come here. Proceed!

**The Minister for Agriculture** (Mr. Obure): Mr. Speaker, Sir, thank you for that supplementary question. I have never met this man. I do not know what he looks like but at the moment, he is the majority shareholder in Miwani Sugar Company and we are very unhappy with the arrangement. We think the company is very badly managed. He has put very inefficient managers at that place. That is why we are insisting that we get an independent technical manager answerable to all the shareholders. At the moment, they have entered this very awkward arrangement which puts us in a very awkward position.

**Mr. Speaker:** Next Order!

*(Mr Ndwiga stood up in his place)*

**Mr. Speaker:** Order! Order, Mr. Ndwiga! It is 4.00 p.m. now and we must go into the next Business! Anybody aggrieved can proceed through other Standing Orders! I agree with you, it is a very interesting Question, but we must proceed. Next Order!

### PROCEDURAL MOTION

#### REDUCTION IN PUBLICATION PERIOD OF SUPPLEMENTARY APPROPRIATION BILL

**The Vice-President** (Prof. Saitoti): Mr. Speaker, Sir, I beg to move the following Procedural Motion:  
THAT, this House orders that the publication period of the Supplementary Appropriation Bill be reduced from seven to six days.

Mr. Speaker, Sir, the reasons why this Procedural Motion is being commended to this House is due to the fact that as is well known, that no monies can actually be appropriated from the Consolidated Fund without an Act of Parliament. That is a Constitutional requirement. That is really the main purpose for an Appropriation Bill, such as this one.

The second one which is much more important here, is the fact that, as things are now, there is a major shortage of funds within the Government Departments, including Parliament. This is as a result of very tight procedures which have been brought into the management of the Consolidated Fund to ensure that no money is released from the Exchequer until that money is voted by this Parliament and that, an Appropriation Bill is passed so that it becomes an Act.

Mr. Speaker, Sir, I do not need to remind hon. Members that, we do have a number of Committees of this House which are today handicapped in their own work because there is no funding. We wish that these Committees are enabled to write their reports, especially those which are in the last stages of writing their reports, to obtain the necessary funding so that they are able to travel or have their sittings in order to finalise their reports, which can be deliberated upon by this House.



Secondly, I think it will be noted that in this Procedural Motion, what is essentially being asked for is the reduction from seven to six days. It is a reduction of only one day. So, I am sure many hon. Members will ask: "What difference does it make reducing the publication period by one day?" The answer here is that, the Government is in dire need of funds. This Parliament is in dire need of funding!

**An hon. Member:** For only one day?

**The Vice-President** (Prof. Saitoti): No! This one day is absolutely important; creditors must be paid and others could very well be taken for bankruptcy and we do not want to get into that position.

So, in the light of the fact that the Supplementary Budget was fully debated in this House, and this particular Bill here does very much mirror what was discussed exhaustively, I hope that this august House will see it fit to accept the publication period to be reduced from seven to six days.

Mr. Speaker, Sir, I wish that hon. Members can treat this matter with the urgency it deserves. This matter is urgent but, at the same time, I am not in any way suggesting that the hon. Members must not go through the Bill; we can go through the Bill thoroughly and it is not a very, very complicated one. So, I am sure much of it must have been read over the weekend.

Mr. Speaker, Sir, I beg to move.

**The Minister for Information, Transport and Communications** (Mr. Mudavadi) seconded.

*(Question proposed)*

**Mr. Anyona:** Mr. Speaker, Sir, it is true that the requirement to reduce the publication period of Bills of this kind, and other general Bills, is a provision that is in our Standing Orders. So, to that extent, this is absolutely normal.

Mr. Speaker, Sir, last week, you were not in the House. This question of reducing publication period came up over two other Bills and it was a strong feeling of the House that, in future, we do need to stick strictly to our own rules that, when we have to do it, it is the exception rather than the general rule. It has tended to become a general rule - when I will be contributing to the Bill, I will be saying more about that - to wait and then come up at the eleventh hour.

Mr. Speaker, Sir, an impression is given out there that, either Parliament is being "ambushed" or there is what has come now to be called "a hidden agenda". I think there are two aspects here: One is an aspect that involves the Government. I think the Government must be able to put its own Act together; to know when they want to bring what to the House so that they comply with the rules. I think there is a feeling that the House is being taken for granted, that when things are brought before the Floor of the House, the House will pass them. Yes, indeed, we do understand the urgency of some of these matters, but we do want to do things in the right way.

The second aspect is also our own system. We have a House Business Committee which should organise the Business of this Parliament so that we are compliant of our own rules and we do not send wrong signals out there. Sometimes I do wonder why we have to deal with issues of this kind so often? For instance, last week, this week, maybe tomorrow. Whereas I would like to support this particular Motion, I do want to plead that, in future, if we want this country to operate properly, let us start that here in Parliament. Let us do the right thing and then we shall require the rest of the country to do the same.

With those few words, I beg to support.

**Mr. Speaker:** Order! Order! Just before---

*(Mr. Biwott crossed the Floor  
and consulted with the Clerk)*

**An hon. Member:** You are out of order, Mr. Biwott!

**Mr. Speaker:** Order! In the interest of the House, I would like to pose one question to you, Mr. Anyona. This is because it may help us in the future; particularly when we begin a new Session. As you know, before the House is officially opened, we do not transact any Business of the House, and the Presidential Address is only given seven days and you know the normal maturity period of the Bills by law, is 14 days. Even if on day one the Attorney-General was to publish all the Bills the Government mentioned on State Opening of Parliament, they will not mature by the end of the debate on the Presidential Address. How do you propose to address that lacuna? What do you propose that, in that seven days, pending the maturity of the Bills, the House should be adjourned for a week, waiting for the Bills to mature?

Yes, Mr. Anyona, I would like to get this right. Could you help us?

**Mr. Anyona:** Mr. Speaker, Sir, this is an important matter of management of Parliamentary and Government Business generally.

I do understand some of those aspects. What I was saying is that, in the past, the general rule has been that,

because of the manner in which the Business is organised, both by the Government and in the House, and in collaboration with the Committees, we take account facts and minimize incidents where we come and ask for extension of time. The House and the country want tighter management. All I am saying is that, if we can do our best as Government and as the House to reduce cases, where we have got to come before the House and ask for extension of time, people think that we were just asleep and we are waking up. Otherwise, I do fully accept that, at the beginning of a new Session, we have these emergencies. Let them be correctly understood.

I am saying this because last week we had to save a very explosive situation where some hon. Members in their own right, felt that they just wanted to block the debate on technicalities. If we are all in agreement and we understand that it can be explained, then there will be no problem.

Thank you, Sir.

**Mr. Speaker:** Very well. Mr. Maoka Maore!

**Mr. Maore:** Mr. Speaker, Sir, I wish to support the Procedural Motion that we reduce the days of publication of this Bill from seven to six, as requested by the Leader of Government Business. However, it is imperative that we learn from the experience that we are going through, as you have already mentioned, that during the period before Parliament is reconvened, we should have the House Business Committee of the previous Session convene, even though they could be past their "sell-by" date, to prepare Business for the new Session. As you can see, if we decline to grant the Leader of Government Business what he is asking for today, we would have no Business to transact just like as it happened last Thursday. So, we would like to have an institution that is dynamic and moves with time, so that we do not have these hiccups every year.

Secondly, the Supplementary Appropriation Bill comes immediately after the Supplementary Estimates have been passed. So, there would be no objection in granting the Leader of Government Business what he is asking for. In fact, our Standing Orders do exempt the Appropriation Bill from going through the Committees of the House.

So, for that reason, I wish to support that we pass this Motion.

*(Question put and agreed to)*

## BILL

### *First Reading*

#### THE SUPPLEMENTARY APPROPRIATION BILL

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

### *Second Reading*

#### THE SUPPLEMENTARY APPROPRIATION BILL

**The Minister for Finance** (Mr. Okemo): Mr. Speaker, Sir, I beg to move that the Supplementary Appropriation Bill 2000, be read a Second Time.

Mr. Speaker, Sir, the Supplementary Appropriation Bill 2000 contains the provisions of the Statement of Excesses No.1 of 1995/96 and the Supplementary Estimates of Recurrent and Development Expenditures for the year 1999/2000.

Mr. Speaker, Sir, I did appraise the hon. Members while moving the Motion on the Supplementary Estimates, 1999/2000 of the reasons that have occasioned the need to have additional supply under certain Votes and a reduction in others---

**Mr. Speaker:** Order, Mr. Minister! Please refer to the correct Bill. We do not have Supplementary Appropriation Bill 2000. What is before the House is the Supplementary Appropriation Bill (Bill No.5).

**The Minister for Finance** (Mr. Okemo): Thank you very much, Mr. Speaker, Sir, for that correction. The comments I am going to make will be related to Bill No.5.

Mr. Speaker, Sir, I do not, therefore, wish to dwell too much on the same. However, I will highlight a few areas. Hon. Members have had ample time to look at the Revised Estimates and the Bill which is before the House. Major increases in the Revised Estimates are in the following Votes on Recurrent Expenditure:- Vote 01 - Office of the

President; Vote 02 - State House; Vote 04 - Ministry of Foreign Affairs and International Co-operation; Vote 15 - Ministry of Labour and Human Resource Development; Vote 26 - Judicial Department; Vote 29 - National Assembly; Vote 31 - Ministry of Education, Science and Technology and Vote 45 - National Security Intelligence Service. Under Development Expenditure we have:- Vote 03 - Directorate of Personnel Management; Vote 04 - Ministry of Foreign Affairs and International Co-operation; Vote 05 - Office of the Vice-President and Ministry of Home Affairs, Heritage and Sports; Vote 13 - Ministry of Roads and Public Works and Vote 15 - Ministry of Labour and Human Resource Development.

Mr. Speaker, Sir, decreases appear in the following Votes: Under Recurrent Expenditure we have:- Vote 03 - Directorate of Personnel Management; Vote 05 - Office of the Vice President and the Ministry of Home Affairs, Heritage and Sports; Vote 07 - Ministry of Finance and Planning; Vote 10 - Ministry of Agriculture and Rural Development; Vote 11 - Ministry of Health; Vote 12 - Ministry of Local Government; Vote 13 - Ministry of Roads and Public Works; Vote 14 - Ministry of Information, Transport and Communications; Vote 16 - Ministry of Tourism, Trade and Industry; Vote 21 - Ministry of Environment and Natural Resources; Vote 25 - Office of the Attorney-General and Vote 30 - Ministry of Energy. Under Development Expenditure we have:- Vote 08 - Department of Defence; Vote 10 - Ministry of Agriculture and Rural Development; Vote 11 - Ministry of Health; Vote 12 - Ministry of Local Government; Vote 13 - Ministry of Roads and Public Works; Vote 14 - Ministry of Information, Transport and Communications; Vote 21 - Ministry of Environment and Natural Resources; Vote 25 - Office of the Attorney-General; Vote 26 - Judicial Department; Vote 30 - Ministry of Energy and Vote 31 - Ministry of Education, Science and Technology.

Mr. Speaker, Sir, I would like to comment briefly on the votes with net additional funding and those votes with significant net reductions.

Vote 01 - Office of the President: As hon. Members are aware, famine and drought have continued to affect people in arid and semi-arid areas of this country. In order to alleviate the situation, the Government has allocated substantial budgetary resources for the purchase of relief maize for free distribution to drought/famine stricken families. Due to increased insecurity in some parts of the country, additional funds were allocated for security related expenditure. Funds were also allocated to enable the newly appointed Land Commission to carry out its mandate. Elsewhere within this Vote, additional expenditures are to be financed through increased realisation of Appropriations-In-Aid. The above increases have been partly offset by decreases due to slow implementation of development projects, for example the *El Nino* project.

Mr. Speaker, Sir, under Vote 02 - State House, additional funds are required for the State Houses and Lodges to cater for the operational expenses of the Department.

Under Vote 03 - Directorate of Personnel Management, additional funds sought under this department, are meant to cater for the purchases of plant and equipment, for example, computers, to enable the training institutions to carry out their mandate. The reductions on this Vote are due to delayed timing of the planned retrenchment programme in the Civil Service arising from the non-completion of the rationalization of Ministerial functions and staff numbers.

Mr. Speaker, Sir, under Vote 04 - Ministry of Foreign Affairs and International Co-operation, the additional funds sought under this Ministry are to enable it relocate and acquire new chancery and residential houses for the Embassy staff in Berlin. Elsewhere across that Vote, funds are being sought for Presidential visits abroad and to meet anticipated shortfalls due to exchange rate fluctuations and visa fees waiver.

Under Vote 07 - Ministry of Finance and Planning, the reduction on this Vote is attributed to non-implementation of the planned salary adjustments. These could not be effected due to overall budgetary constraints, occasioned by decreased revenue receipts and lower payments in respect of pending bills following recommendations of the Mule Task Force. These decreases have been partly offset by additional expenses towards the National Population Census.

Under Vote 13 - Ministry of Roads and Public Works, Mr. Speaker, Sir, additional funds to be voted for the Ministry of Roads and Public Works are donor funds from the European Community for the maintenance of Kabete-Limuru Road and from African Development Bank for re-carpeting of the Mumias-Busia Road; and from CIDA for the minor roads programme and for the emergency repair of Modogashe-Wajir Road.

Under Vote 15 - Ministry of Labour and Human Resource Development, Mr. Speaker, Sir, the increase appearing under Vote 15 - Ministry of Labour and Human Resource Development is due to transfer of services of the Directorate of Applied Technology from Vote 01 - Office of the President, the Departments of Manpower Planning, Manpower Development, Curriculum Development and Technical Support Services from Vote 31 - Ministry of Education, Science and Technology, and the Department of Adult Education from Vote 05 - Office of the Vice President and Ministry of Home Affairs, Heritage and Sports to the Ministry of Labour and Human Resource Development.

Under Vote 16 - Ministry of Tourism, Trade and Industry, Mr. Speaker, Sir, the only significant increase

under the Ministry of Tourism, Trade and Industry is attributed to a loan which was extended to the Kenya Utalii College to enable it improve its physical facilities.

Under Vote 26 - Judicial Department, Mr. Speaker, Sir, in an effort to improve the performance of our courts, additional funds are being sought to enable the Judicial Department improve its operational efficiency and also maintain its facilities.

Under Vote 29 - National Assembly, Mr. Speaker, Sir, the additional funds sought for the National Assembly are to cater for the revised commuted mileage allowances. More funds are also being sought for the repair, partitioning and redecoration of Continental House to create office space and other physical facilities for use by hon. Members of Parliament.

Under Vote 31 - Ministry of Education, Science and Technology, Mr. Speaker, Sir, the additional funds sought by the Ministry of Education, Science and Technology are mainly meant to cater for a shortfall in the budget of the Ministry. As I explained to this House earlier on while moving the Motions on these Supplementary Estimates; 19,000 teachers were to be retrenched, but this has not been effected, hence, the need to provide for additional funds to meet their salaries.

Under Vote 45 - National Security Intelligence Service, Mr. Speaker, Sir, funds are being sought for the National Security Intelligence Service to implement the new terms and conditions of service which were approved by this House.

Mr. Speaker, Sir, as I stated earlier while moving the Motions on these Supplementary Estimates; the Statement of Excess was approved by the House when the Public Accounts Committee Report for 1995/96 was adopted by Parliament on the 13th October, 1999. I do not, therefore, wish to go into further details of that Report.

Mr. Speaker, Sir, this is a procedural Bill and I would urge hon. Members to pass it, so that the Ministries, Departments and the National Assembly can spend the money allocated to them during the remaining part of this Financial Year. With those few remarks, I beg to move.

**The Vice-President** (Prof. Saitoti): Mr. Speaker, Sir, I would like to second the Minister for Finance, who has just moved the Supplementary Appropriation Bill. Well, as hon. Members are aware, this Bill does come immediately, or very soon after this House has already debated and passed the Supplementary Estimates. This was discussed in very great detail, analysed and, indeed, reasons were already given by the Minister for Finance why the various Votes were preferred to this House.

Mr. Speaker, Sir, I want to add only two things here. One, as far as the additional resources being sought are concerned, there are two or three important areas that need to be taken into account. I do believe that, once the permission is given for these funds to be disbursed, then they can be put to proper use. There is the issue of drought which falls under Vote R01 - Office of the President. We do see the situation today; the weather does not appear to be very promising. We are having difficulties of drought in certain parts of our country, especially in North Eastern Province, Turkana District and various parts of the country, and with the weather behaving as it is; if it does not rain, we are really in for a very big problem. We hope that it is going to rain. However, in the event it does not rain, it does mean that substantial resources will have to be expended for the purpose of famine relief. I am very pleased to note that some provisions has already been made to ensure that funding for famine relief will be undertaken. I only want to tell the Minister for Finance that should the scenario or the weather continue as it is, maybe, it will be important at the time of formulating the next Financial Year's Budget to put in a contingency for this problem. I think, that is important.

Mr. Speaker, Sir, the next area where some provision of money is being sought is the area of security. It cannot be over-emphasized that there are several parts of our country where we are faced with the problems of security. There will be those who will wish to use the opportunity of such difficulties to blame the Government. Let me reiterate here as we have done before; Kenya finds itself geographically in an extremely difficult situation, surrounded as it is by a number of unstable countries. It is very easy for those countries to be able to move weapons here because law and order has broken down. We have difficulties in Somalia without any government; a lot of weapons surround that country and some of them come here. Such weapons get in the hands of criminals. We also have got difficulties in Ethiopia because there is already war raging between Ethiopia and Eritrea. We are suffering because of that. We have also got difficulties in areas like the Democratic Republic of Congo and others. Those people tend to find Kenya as their destination.

The Government will do the best it can but we urge all of us as Kenyans and all of us in this House to cooperate to find ways through which we can be able to rid of this country insecurity. It is not something we have chosen to be in, but it is the fact that we are a stable country and we do have a number of unstable countries. This provision has been factored here.

I should also, Mr. Speaker, Sir, draw the attention of this House to the fact that following the passage of a constitutional amendment last year to make Parliament independent, it has become necessary for the Parliamentary

Service Commission, which was also appointed by this House, to ensure that the welfare of the Members of Parliament is well taken care of. An example is the case of the medical insurance scheme. As you well know, today, we are all insured in case we have problems. If you are sick and admitted to hospital, an insurance scheme has already been put in place. As we have seen---

**Mr. Anyona:** But we are paying for it!

**The Vice-President** (Prof. Saitoti): Yes, we are paying for it, but---

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. Is the Vice-President not misleading the House by saying that the medical scheme in place is part of the Government scheme? I thought that was a voluntary scheme by Members of Parliament because they contribute?

**The Vice-President** (Prof. Saitoti): Mr. Speaker, Sir, I never said that it is a Government scheme. If anything, I said these are some of the methods and ways that are being explored by the Commission to boost the welfare of the Members, in terms of formulation. That is where all these things come in. We are doing quite a lot to hon. Members. However, much more important, the hon. Member would also recall that Parliament did purchase Continental House. Hon. Members have from time to time requested for facilities, so that they can be able to offer offices to conduct their affairs.

Mr. Speaker, Sir, because no money was set aside for that project during the last Budget, it became necessary to ask for supplementation, so that the partitioning of Continental House can be undertaken, so that hon. Members can have offices where they can do their work, even if they will be required to share offices. There is quite a lot that is being done. Indeed, the Budget will be slightly higher than before.

The money that the Government spends is raised through revenue collection. Revenue cannot be realised where there is no what we call "economic elasticity". In order for the Minister for Finance to levy revenue, the economy has to perform. That being so, let us, in this House, be the ones who, always, clamour for the enabling environment to be in existence, so that investment can flow in from outside, and so that local investors can also continue to plough more of their profits into this country's economy. That will only happen if, we, in this House, do not give wrong signals to both local and foreign investors that this country is about to be set on fire.

Mr. Speaker, Sir, while I was out of the country, it came to my knowledge that some hon. Members made statements to the effect that there would be the so-called "mass action" in the streets. Mass action conjures in the minds of Kenyans, looting of shops, factories and burning of vehicles, among other things. If we do that kind of thing, there is no way we can attract investment into this country. Also, the little investment that is in the country will be taken elsewhere. If that happens, the Minister for Finance will not have anywhere to effect taxation. We will then be demanding that our roads be made, our people be given water schemes; that drugs be provided in hospitals without success; and we will be the cause of the denial of all these facilities to our people. So, the pledge I am making here is that we, in this House, should start by giving positive signals. We should not be the ones who give the signals for capital flight from this country, or which will scare away other people who would like to come and invest in this country.

Over the last 10 years, we have been talking in terms of political confrontation, abusing each other, and calling this country all sorts of names. Could that be the reason why we are poorer? We have gone to the extent of influencing our people such that they no longer think in terms of development. We have translated every activity into political activities. Famine has also become politics. Every little work has been politicised. We have shifted from productivity to destruction. That is why poverty has struck this country.

Other people say that the poverty being experienced in this country is a result of corruption. We agree that there has been corruption. This problem will be addressed but, basically, we should not expect this country to prosper if, for the last 10 years, we have been involved in idle talk. The time has come for us to change. In order for us to win the battle against poverty, we should accept that there is a problem. We have to formulate the strategy by which to solve that problem. That is what the poverty eradication, or poverty reduction, strategy is all about. Let us not criticise that strategy; let us solve the problem. If some people want to equal scores, let that be done after we have solved the major problem of poverty; that is what we want to do. I would like it known that Kenya is not the only country that is poor in the world. Poverty is a major problem among countries in the developing world. Poverty was the major issue at the Summit of Heads of States of the Group of 77. Each of the representatives from over 130 countries at that Summit spoke about and cited globalisation, liberalisation and unequal terms of trade between the north and the south, as some of the contributory factors to the problem of poverty. Let us, therefore, not deceive ourselves that Kenya is an island, and that we are completely insulated from the forces of the imbalances of trade in the world. Let us not politicise poverty, but let us work together. Whether we are in the Opposition or in the Government, we need a collective front to deal with this enemy called "poverty".

Mr. Speaker, Sir, I beg to second.

*(Applause)*

*(Question proposed)*

**Mr. Kibaki:** Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to the debate on this Bill.

I thought that the Mover and Seconder would explain why it was found necessary to introduce such drastic reductions on expenditure that was focused in the last Financial Estimates presented to this House. This is the first time, in the history of Supplementary Estimates, this House is being asked to approve a huge reduction on expenditure. One of the obvious things noted in the monthly report by the Central Bank of Kenya, among other reports, is that the revenue being collected is nowhere near the projections made by the Ministry of Finance.

Mr. Deputy Speaker, Sir, one of the serious shortfalls in meeting the country's revenue collection target is in the revenue that should have been collected from imports. There is a racket, in this country, where petrol is brought to Nairobi from Mombasa under the pretext that it is being exported to Uganda and Rwanda. However, such petrol never leaves this country, and the Ministry of Finance never collects tax on it due to it, because there is deliberately, sustained corruption. Kenyans, the police and, generally, the Government, know about this racket, but no action is being taken against the culprits. I do not see why we should pretend to be looking for other nations to help us when we cannot collect tax on a commodity in our own country's economy, and when those involved in that illicit trade are very easy to identify. Something is missing, and there is no point in the Vice-President pretending that corruption, poverty, and everything else, is found all over the world. It is true that these problems are found all over the world, but other nations are trying to solve such problems. Here is a problem we can, in fact, solve. So, why do we not solve it? Why do we continue to import sugar for which tax is not paid?

Mr. Speaker, Sir, sugar imports are doing a big damage to the economy of this nation because as you, me and everybody else knows the factories that produce sugar, such as Mumias Sugar Company and other factories have large stocks of sugar. They are unable to sell this sugar because the market is saturated with imports which sell at a lower price. I would like to inform this House that tax is not paid for these imports. So, we lose both ways; we lose revenue to the Treasury and create unemployment in our country. So, we are not improving productivity or reducing poverty. We are creating a problem for all those sugar-cane farmers.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

These are some of the obvious things which we have to point out to the Ministry of Finance and Planning in order for it to collect the money.

Mr. Deputy Speaker, Sir, on the revenue which should be collected in the form of VAT, in the report which has been produced, there are obvious loopholes which have developed, so that the total revenue collected does not reach the accounts of the Kenya Revenue Authority. Indeed, there are some people who are attempting to do estimates as to the proportion of revenue that should be collected, but which disappears before it reaches where it is supposed to reach. We are pointing out this not just because we are in the Opposition, but because even those who manage this economy, for example, the Ministry of Finance and Planning, Ministry of Tourism, Trade and Industry, Ministry of Agriculture and Rural Development have a reason to do away with those loopholes so that, that revenue can go into the kitty, where it can be used. The consequence is what we are witnessing here; revenue is not being realised and, therefore, development which had been projected cannot even be started.

Equally, why has the repair of roads damaged by *El Nino* rains taken so long to get going? The Minister should explain this, because the story we have and we have evidence is that there is a bit of corruption in the tendering process. Indeed, even the money which was given in the first round, all of it was not spent properly on the project it should have been spent on. That should be pointed out. Why hide it? Money which has been made available by international donors is not being used for the purpose it was meant for--- This money is lying there due to quarrels as to how it should be spent. Those who are in charge of this money doubt whether we can give tenders in a transparent manner or whether we can make sure that the job is done, or we will engage in old corrupt practices where contractors are paid money without doing the road. That is what we are talking about. These things need to be put right.

The other day, we were told that there is an effort to set up the Kenya Roads Board (KRB). That is okay. The Board has not started to operate. It will come and we welcome it. After all, we passed a Bill in this House for the

establishment of the KRB. I do not know what is holding up the actual implementation of the KRB so that it can become effective latest 1st July this year, otherwise, we shall continue to talk about poor roads. If we are serious about reviving the economy, the Chair and I know that until we repair the rural roads, there will be no revival that will be realised. This is because we are an agricultural economy and not an industrial one. An agricultural economy depends on having good roads. The money which was made available should actually show a difference in the road network. I do not know whether there is any hon. Member who can say that there is a difference in roads in his constituency, because as I travel around, I see no difference in the roads we have been looking at and, yet, that money is being spent. I would like to emphasise that until we have good roads, we cannot revive the economy and, therefore, we cannot realise the development that we are seeking. Mr. Deputy Speaker, Sir, the Minister for Agriculture is expected to enforce the new regulations regarding the marketing of tea. I hope that before the Minister publishes the new regulations, which we hear in many ways are interfering with the normal operation of a public company--- A public limited liability company, which tea factories fall under should operate within the Companies Act, and should not be run under any other Acts which are contradictory to them. For example, each of the tea factory is a public company. It is us, the producers, who supply that factory with raw tea and it is the shareholders who should be called for an Annual General Meeting (AGM) to choose directors. We do not want to be taken through some funny gimmicks so that those people who want to be given jobs are given. We should let tea growers choose their directors because they know how to do that. The tea farmers from each tea factory should be asked to attend the AGM so that they can choose the directors.

The transition in that industry should take place before 1st July, when the new year begins. We expect meetings for election of directors to be convened before that time. I do not know how the Minister will justify in law that he is the one who will call the meetings. I think a circular should be issued to the companies which own these factories, or operating under the Companies Act and then call the AGM like any other company does, otherwise, we will have some conflicts because on one hand we want them to operate within the law, while on the other hand we want them to retain some kind of control in the official hand of the Government. These two things are not compatible. So, we either have the freedom to operate within the Companies Act or we do not have. There is no half way within the law, as it is now. So, I am just saying that these regulations which are being drafted by the Minister should be made public. We should see them because we would like to discuss them in the Departmental Committee on Agriculture, Lands and Natural Resources before they are made public. These are vital things.

Mr. Deputy Speaker, Sir, in the coffee sector, which is very important, because we are an agricultural economy, the Minister did say through an interjection in this House that he will retain public auctions for marketing of coffee. But we still get papers which have been produced showing the intention to dismantle the co-operative structure. There are some people who are determined to fight the co-operative movement. The Chair and I know that the co-operative movement is what has saved the small producer of this nation. Whether we are talking about milk - it is true the Kenya Co-operative Creameries (KCC) was destroyed - but the KCC had brought the small-scale producer to the level he had reached. Still the solution of the small-scale producer, whether in the field of tea, coffee or horticulture, is to have an effective co-operative society which he controls.

Mr. Deputy Speaker, Sir, to go ahead and swallow everything that is being said by the World Bank and International Monetary Fund (IMF)--- Those people have never run a country. They are international institutions. We do business with them, but they have young boys and girls who have just left college, who have a theory of free enterprise. They write a piece of paper which is circulated. Can you imagine that in the case of coffee, they would like that we have total freedom so that everybody can sell cherries even before you dry them; or the farmer sells coffee cherries from his farm before they are harvested. We will create corruption and the ordinary farmer will be exploited by the large-scale producers, who have been in Kenya in the last six months. These producers are from Europe and they want to discredit the co-operative movement totally. They also want the Coffee Board of Kenya to be abolished. In fact, in one paper, which they have submitted to the Government, they have proposed that the Coffee Act should not be amended, but be revoked so that we do not have a law. We hear that this is being considered.

Mr. Deputy Speaker, Sir, this is a dangerous trend; papers are being produced and submitted as advice to the Government which is serious. They are produced by junior fellows who have just left college and have never learned anything. They have just learnt about the theory of free enterprise which is not applied anywhere in the world. Today, you and I cannot export any cotton product freely to the United States of America. Why not? This is because the Government of United States of America has an industry to protect to save jobs and farmers; it protects them. In Kenya, you are told to liberalise all your coffee industry. You are told to sell the green berries, cherries and so on before they even ripen. You have free enterprise. That is a crazy thing. It is theoretical.

In the real societies that we have today, governments intervene in the markets. They supervise part of the operations of the market. That is why in another sector which we have been referring to here, we would like the Government to find ways of intervening to make sure that the interest rates of the economy come down to manageable

levels like say 10 or 12 and a half percent. We keep on issuing very big statements about revival of the economy, helping the private people to invest and doing other things so that foreigners may come to invest. If the interest rates do not come down then we are cheating people and ourselves which is criminal. To cheat oneself is terribly criminal. You cannot cheat yourself that there will be a revival until interest rates reach sensible levels because you cannot possibly have anyone investing his money when interest rates are as high as they are.

The Government cannot abscond from intervening in whichever manner to keep interest rates down. Everybody else does that. Even those economies which they are talking about of America and other places, and saying that they are free enterprise also actually have a mechanism for intervening in the money market to make sure that the interest rates are kept at manageable levels. In fact, they have huge departments which do precisely that job. Here we are told that we should withdraw from those things. The Government is told to keep off and they agree because somehow they think that, that is the way they are going to please anybody. It will not please anybody. In any case, it will not revive the economy of the nation called Kenya. We are pleading that, that kind of thing be done there.

Finally, we have commitments which have been entered into presently by the Government to help the peasant farmer in this nation. That help is what should come now. In this sense, it is planting time for the farmer, hopefully if the rain comes, but there is no institution in Kenya now which can lend the farmer money for his activities. All those institutions which used to be there have been disbanded. When we keep being promised that AFC will become a farmers' bank, why does it not become a farmers' bank? If the farmer cannot have access to credit, to buy fertilizer and seeds and to prepare the soil; how will he do it? He can only use his jembe to dig a few acres. He needs to be assisted by us having the institutions that he needs, for him to do anything bigger than that.

The farmers have said that they want to have their own bank, but the Government is refusing. Mr. Minister for Finance; why do you listen to the talk of the big banks? The big banks today, in this poor economy of Kenya, are the only institutions here which are minting billions. Nobody else is making the amount of money that the big banks of Kenya are making. You know them by name; I do not have to mention them. This is because of two reasons. The money that is collected from Othaya, Kisii and other areas from tea production is banked there in a current account for which nothing is paid. When you want to borrow that money which the banks get free in billions, you will be charged 25 or 30 percent. Every year during this poverty period they are declaring profits of Kshs5 billion, Kshs10 billion and it comes down a bit to Kshs6 billion. They are the only institutions minting money in Kenya. The Government cannot say that, that is a private enterprise and it does not want to be interested in it. Why not? Even in a savings account in those banks you are paid an interest rate of seven or eight percent, when the banks on-lent to themselves at low cost because you are the one who take the money to them for safekeeping. They will lend it out at 30 percent and they are paying you 10 percent or 11 percent if you are lucky. This is exploitation! There is no other word for it strictly speaking. We are not against banks. We are merely saying that the Government, through Central Bank of Kenya and everybody else, are neglecting their duty. A situation like that should not be allowed to go on for seven years because that is how long it has gone. In fact, it has gone on for more than seven years. It is a terrible situation.

Now that we want to revive the economy and reduce poverty, let us tackle that particular problem. One way of doing it is to allow the farmer to form the bank he wants to form. However, the Central Bank of Kenya is saying: "No, you do not have people." How comes they do not have people? Have these big banks not recruited people in Kenya? Who are the bosses? They are Kenyan men and women. We also have them, and so we can recruit them. No coffee farmer has said that he wants to become a managing director of a bank. They can see the problem that I am talking about; that you pump your money into those banks, but when you go to borrow a little to expand your acreage of tea, you are told to pay it back at 30 percent interest and yet you are only getting 10 percent of the money you have put there.

To make it worse, they have now made rules that people who save small quantities of money are not wanted there. People from rural areas, whom we all represent have nowhere to deposit their money and yet Ministers will stand here and tell us that they are encouraging saving, investments and that they want to revive the economy. The economy will be revived when those small savings can find a channel to be harnessed so that they are invested instead of being wasted. They cannot find that channel if all banks have raised the minimum rate of deposits beyond the means of people. Think of teachers in this nation. They have to be paid their monthly salary. They cannot keep huge sums in the bank. They are told: "If you do not keep Kshs20,000 in your account, you will be charged a certain amount." How can they keep Kshs20,000 in their accounts and yet they survive on the balance? In fact they spend their salary before the end of the month. That is the reality. We do need new institutions.

If the Government persists in saying that they are not going to interfere with foreign banks, it is up to them to make that decision. It is well and good. In that case, they cannot on the other hand, tell farmers that they are not going to give them licenses to start their own banks. You cannot have it both ways because then you are frustrating the very people you say you are serving.

Mr. Deputy Speaker, Sir, we are pleading with the Minister for Finance to allow farmers to have their banks.



Towards that direction, many farmers all over the country have formed savings and credit co-operative societies. It is the only thing which is helping farmers to survive in rural areas. But they need supervision since they are not under the Banking Act. They are now under the Department of Co-operatives in the Ministry of Agriculture and Rural Development. They have been neglected and forgotten by this Government. Today, those co-operative societies in Kenya are controlling billions of shilling. This is because farmers with small savings have no any other channel to enter into money market, but through this one. Those billions of shillings require to be well managed because they belong to Kenyans. Their management also needs to be checked, in order to make sure that we do not lose them. So all we are saying is that there are very many things which we can do by way of self-help to revive the economy.

Therefore, let all of us Kenyans, stop talking about doing things only in order to attract foreign investors. This nation will not grow because of foreign investors. Actually, the proportion financed by foreign investments will remain small for the next seven to eight years. I can assure you. When the economy starts booming, that is the time when they will be attracted. In the meantime, our survival depends on savings by Kenyans. That is why we have to look for a way of making sure that those savings go into productive investments, through these channels that we are talking about. Therefore, I hope the Minister will liaise with the Governor of Central Bank and answer positively to the request that farmers or anybody else, start their own banks to help us in rural areas. That is truly the way forward in this country.

Mr. Deputy Speaker, Sir, could the Minister for Finance talk to the Minister for Roads and Public Works, so that Mombasa Road can be repaired as an emergency. I hope the hon. Member for Mvita Constituency, Mr. Nassir, will talk about this, not just me. This road not only serves the economy of the whole Kenya, but it also serves our neighbours. It is sad that money after money has been available, contractors are on site, but no progress is made. How long shall we wait for them to complete repairs on that road? The losses we are suffering because that road being unoperational, are phenomenal. One time we had proposed - and I hope it can be revived - the idea of making Mombasa Road a dual-carriage way. This can be done by allowing private investors into that road who would levy tolls. This has been done in Italy, Germany and other countries. This is a very flat territory which will not require a huge kind of engineering work and it can be done fairly speedily. Even if we are repairing that road, why do we not authorise private investors to do a second lane all the way to Mombasa and allow them to charge tolls? None of us would be bothered to pay tolls, whether driving down to Mombasa for pleasure or trade. But that road is taking so many years to repair and the damage our economy is suffering is too much. At the rate we are repairing that road, we will need another four years before it is completed. It is a tragedy.

Mr. Deputy Speaker, Sir, all we are saying to the Minister for Finance is to lobby among his colleagues, instead of talking about doing everything in order to attract foreign investment, to think of Kenyans and what they will do to help them.

Mr. Deputy Speaker, Sir, the Minister for Agriculture was here, but I do not know where he has gone to. We have people in Mwea Irrigation Scheme who have produced enough rice for this country, but it is lying there, waiting to be milled. It cannot be milled because the factory has been closed by National Irrigation Board (NIB). It is really pathetic that the Government has allowed NIB to close down mills, so that rice which had been produced by farmers, may not be milled and sold. You cannot punish farmers in that way because you are also punishing the whole nation.

Now we have come to believe that the exercise is to benefit big traders, who are importing rice. I am sure that is the purpose. It cannot be otherwise. It cannot be logical, rational or meaningful for a Government to allow NIB to close mills when rice harvested by farmers requires only to be milled, so that it can be marketed. That is food and we do not have enough of it. It is a pity that those mills have been closed since the beginning of last year. Farmers have extended the area under which they cultivate rice and, therefore, we should encourage them to grow more rice instead of frustrating their efforts. We think the Government is deliberately doing that. I think it is under pressure from those traders who want to import rice, so that they may exploit our market. But could the Government have mercy on Kenyans and stop to think about assisting those traders, because we are more in number? In any case, it is the responsibility of the Government to help us.

Mr. Deputy Speaker, Sir, I would like to suggest that the Minister for Agriculture should allow KCC farmers to take over milk factories in this country. We had made this good proposal, but somewhere it got stuck. The decision has also been made with regard to coffee, tea and other products, that farmers should take over processing factories. Why should farmers not take all processing factories? For example, farmers in Sotik, Kiganjo and Eldoret can take their factories because this will solve all these problems bothering us. The quickest way of assisting the small scale farmer is to allow him to have a steady market outlet for his milk. This is because if he produces five gallons of milk, he has no way of moving around all over--- As it is right now, I do not know who it is that gives power to the dairy boards.

In rural areas when you milk, and you want to sell it to me because I have no milk and I am your neighbour, why should you not be allowed to sell it to me? Right now, in rural areas, if you produce milk and carry it in a can to

sell to your neighbour, you are accused of hawking milk without a licence. What is happening to this Government? Their behaviour is pathetic and it is very painful to the small farmers. Actually, it is a pathetic behaviour. It could be laughed at. Truly today, we have more employees of dairy boards. They are all over the country. I do not know where they were hiding. Suddenly, they are everywhere. If you go to Karatina Town, they are all over. They want to arrest farmers because they are selling milk to their neighbours. What is wrong with that? What is wrong with me selling milk to my neighbour? I must be free to do so. This thing is now happening. On the other hand, the Government talks about liberalisation. I do not know which liberalisation they are talking about, if they cannot allow farmers to sell their milk to their neighbours. These things that we are talking about would actually create the right atmosphere to our farmers. So, let us see some action in those directions. Thank you.

**The Assistant Minister for Lands and Settlement** (Mr. Keah): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

In supporting the Motion, I wish to make an observation that, reductions have been made in the expenditures and these will, indeed, hurt us. From a financial point of view, I do realise and appreciate that these reductions were inevitable. This is because revenue collection had a shortfall. The only other area which can be touched in order to balance money equation is to reduce expenditures.

Mr. Deputy Speaker, Sir, let me now tackle the issue of revenue collection which had a shortfall, or is expected to have a shortfall simply because the economy has not performed well as it should. Under these circumstances, the revenues have fallen simply because taxes which were estimated to be collected cannot be realised from the economy. I would like to take this opportunity to urge that it is incumbent upon all Kenyans to ensure that the economy is invigorated and enhanced so that the revenues grow bigger and we collect more taxes.

That can only happen if we encourage investments. For us to encourage investments, we must do so many things and also avoid certain actions which will hold back those investors. In this regard, the call for mass action in this country as a result of the Report of the Parliamentary Select Committee Reviewing the 1997 Constitutional Review Act will certainly not solve our economic problems. I, therefore, take this opportunity to ask all those who have advocated for mass action to ensure it does not take place, because it is a sure way of discouraging investments in this country. If we discourage investments, the level of our revenues will continue to dwindle.

Mr. Deputy Speaker, Sir, therefore, I want to take this opportunity to say that there should be no mass action. Let us solve our problems and differences through round table talks. Certainly, encouraging mass action is retrogressive and a detriment as we will not tackle poverty. In fact, mass action will enhance, or increase poverty, rather than reduce it.

At this juncture, I also want to echo a point raised by hon. Kibaki about the big banks. The big banks are not for the masses of this country. We have examples of certain banks whose minimum deposits in the savings accounts is Kshs30,000. Who among Kenyans, even us Members of Parliament, can operate that kind of account? I am talking about the Standard Chartered Bank. For example, even for a savings accounts, the minimum is Kshs30,000. Otherwise, below that amount, you would be charged a thousand shillings per month to maintain that account. It goes without saying that after some time, that account will be exhausted and, in fact, you will be in a debit situation, rather than your Kshs30,000 accruing some interest and credited to your account.

There is a similar situation in ABN-AMRO Bank. If you have below Kshs50,000 in the savings account, then, they charge a minimum of Kshs1,000 per month as a service charge, instead of crediting it to your account. I do not know what kind of business that is, but definitely, they have decided to choose who their clientele would be; they have decided to discriminate.

Mr. Deputy Speaker, Sir, I would like to ask the Minister for Finance and also the Governor of the Central Bank of Kenya to look into some of these big banks which are discriminative. Indeed, there is a choice. If you so wish, you can go to the National Bank of Kenya (NBK), Kenya Commercial Bank (KCB), (KREP?) Bank and a few others. But I am afraid that the big banks are for the rich rather than for the ordinary mwananchi in this country and that is a matter of concern.

Many of my people, for example, have had to close their bank accounts with Standard Chartered Bank and ABN-AMRO, simply because they could not maintain the minimum amount required. In particular, the Standard Chartered Bank has got a brochure. I think it was issued on 14th January this year and it shows their new tariff rates. In my view, I think all they are interested in is profitability rather than providing services.

In that regard, I want to encourage the idea of initiating village banking and financial services associations within the rural areas. These ideas are really catching up fairly well. I would ask the Minister to make it possible to have some kind of regulations that will cover these financial services as well the SACCOs and the village banks, which are a means of mobilising the small savings in the rural areas. At the moment, our biggest problem is that no financial services are available in the rural areas. We must look into this afresh and it is up to the Ministry to see to it that we provide for these financial services in the remotest areas. We have seen that many of the banks have closed their

branches in the rural areas. Where do they expect the people to bank, or save?

Mr. Deputy Speaker, Sir, having said that with regard to the banking industry, which I am sure is being looked into, let me now go to the issue of

the *El Nino* Emergency Roads Fund. For the last 30 months since the *El Nino* rains, the portion of the road between Miritini and Mariakani in my constituency has become a nightmare and we see some big structures there now and again and we do not know what the constructors have been doing. I am sure they get paid for having those trucks and caterpillars on the road, but I cannot understand why that stretch cannot be permanently rectified by providing money from the Fuel Levy Fund, because it is the entrance into the island from upcountry and those last few kilometres constitute a horrendous drive into the island.

Mr. Deputy Speaker, Sir, I am asking the Minister for Roads and Public Works to see to it that we are saved from the daily pains, agony and anguish, particularly for those of us who use that road which traverses through my constituency. We daily see that stretch of road from Miritini to Mariakani the way it is. It is really shameful and, if the World Bank is not ready to finance the re-construction of that stretch, I am appealing for the provision of money from the Fuel Levy Fund so that, that road is repaired once and for all, because it is 30 months since the *El Nino* rains and that road is really horrendous.

Mr. Deputy Speaker, Sir, I would like the Road 2000 Programme to catch up with the prevailing situation because we want roads in the rural areas. Without feeder roads in the rural areas, wananchi cannot take their produce to the big market places and that is hindering development and encouraging poverty, rather than eradicating it. So, I would like to urge that the Road 2000 Programme and the Fuel Levy Fund be extended to every district in an equitable manner and for us to be involved in the process, because we do not like this idea of funds going to the district treasuries and, then, they disappear from there.

Mr. Deputy Speaker, Sir, to me, the District Treasury system of affecting reimbursements is not functioning effectively. Something ought to be done to revitalise this District Treasury aspect. Funds go to the District Treasury, where the District Commissioner and the District Accountant decide where it should be spent, and yet, here in Parliament, we decide on the Budget on an item by item basis. The funds that go to the district treasuries should also be credited to those items, rather than pooled within one District Treasury and left to the whims of the District Commissioner and District Accountant to decide where it goes. At the district level Government officers do not have telephone lines or fuel to go to the field. Hon. Members are sometimes called upon to fuel the vehicles and assist here and there, as if funds which we have voted for here are not sent to the districts. I would like to ask the Minister to look into this matter of pooling finances very seriously. I would like to suggest and recommend that funds should go to the line Ministries in the districts, so that we can hold them accountable. I should be able to go to the District Roads Officer and ask him to account for the money he was given. But today if I asked him, he would tell me that the funds have not been released to him by the District Accountant, because they have been used to pay previous years' pending bills and the rest. We have a real problem, and I hope the Accountant-General and his colleagues within the Ministry will look into this matter, revamp it, and have this reimbursement system working more effectively than it is at the moment, so that little that there is, can go to each Ministry's expenditure item rather than the pooling system.

Mr. Deputy Speaker, Sir, I realise that we have a statement of excesses for 1995/96. This is proper, because we have to approve. It has got to come to this House to be charged to the Consolidated Fund. But, we are in the year 2000 and we are seeking approval for the 1995/96 excesses of expenditure. This is because, it is only October last year that we approved the Report of the Controller and Auditor-General and the Public Accounts Committee for that year. The issue I would like to raise here is: Why has it taken very long to complete the audit and the accounts for the report to come here. Time and again we have asked for a speeding up process of the audit of these accounts so that they can be up to date. Approving the Statement of Excesses of 1995/96 in the year 2000 is really horrendous.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. For record purposes, hon. Keah was a very active Assistant Minister for Finance during the period in question. Is it in order for someone who was grossly involved in whatever happened to raise it now?

**Mr. Deputy Speaker:** Mr. Gatabaki, you have been in this House long enough to know what a point of order ought to be. That speech you have given is not one of them! Proceed!

**The Assistant Minister for Lands and Settlement (Mr. Keah):** Mr. Deputy Speaker, Sir, what we have been asking for in this House - and I would like to repeat it - is the possibility of the Controller and Auditor-General being allowed - and the law allows for that - to go to private auditors so that the audit can be up to date, because at the moment he has no capacity to audit them at once. I hope the Minister and the Controller and Auditor-General can liaise accordingly so that we do not continue to be held at ransom simply because the Controller and Auditor-General does not have the capacity to audit them as they are available. In fact, those accounts are available on due dates for the Accountant-General to peruse through.

Mr. Deputy Speaker, Sir, I would like to commend the action taken by Bamburi Portland Cement Company.

They have pumped about Kshs200 million to modernise the Athi River Rhino Cement Factory in my constituency. This cement factory has been providing jobs and revenues to the local community. But also, the existing Athi River Mining Company has had some shortcomings because dust has not been properly controlled. I hope the action taken by Bamburi Portland Cement Company of investing Kshs200 million in that factory will now modernise Athi River Mining Factory Limited, so that the environmental aspect of Kaloleni can be taken care of. I would like to urge other companies in similar situations to do just the same, and once more take this opportunity to commend the action that has been taken by these two companies to pool resources together; to modernise and take care of the environment. Those who have been politicising Athi River Mining Company Limited should now stop it. The matter has been politicised by some people, who have gone to set up clinics there in order to monitor whether the environmental aspect has been taken care of or not. I am aware that the person who is doing this wanted the Kaloleni seat. He missed it and he will miss it again, but let us be constructive in our criticisms. I would like it put on record that I commend the action taken by Bamburi Portland Cement Factory and Athi River Mining. They should certainly be supported.

Mr. Deputy Speaker, Sir, I heard the Minister say, that there is an increase in the item on salaries for the staff of the Ministry of Education, Science and Technology because 19,000 teachers who were supposed to be retrenched were not. I am happy they were not retrenched. I would like to go a step further and say that there are hundreds of teachers at the moment who trained and qualified in 1998/99 who have not yet been absorbed. In my constituency, and the Coast Province in general, and elsewhere in the Republic, there is a shortfall of teachers in schools. I would even want to see more and more money being voted for the teachers' salaries so that more teachers can be absorbed, because money was spent to train them, and it would be a waste of resources if we cannot utilise them. We also keep on talking about capacity building, and I would like to encourage the Treasury to find more money to employ those teachers who qualified in 1998/99, but who have not yet been absorbed in the teaching work force.

We are training a few more teachers. What will we do with those teachers that we are training at the moment if we cannot even absorb those who are there in our homes and villages, who have already qualified?

Mr. Deputy Speaker, Sir, I would want to wish the Minister plenty of success and I hope this Supplementary Appropriations Bill will sail through. I also want to thank the Parliamentary Service Commission for what it is doing, hoping that even our allowances when we sit here will be looked into and accommodated in the Budget, particularly the year 2000/2001 Budget. We sit here on a daily basis and I hope that the Parliamentary Service Commission recommendations will be fully taken into account in the year 2000/2001 Budget.

With those few remarks, I beg to support.

**Mr. Anyona:** Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this debate.

I would like to start my contribution by paying genuine tribute to the contribution by hon. Mwai Kibaki this afternoon. I would like to pay tribute to his contribution because I sat here and I listened to him. For once, I felt that hon. Mwai Kibaki was speaking truly as the Leader of the Official Opposition. I found the contribution of hon. Mwai Kibaki, not only factual, but also convincing and persuasive. That is the kind of debate that this House expects from all of us.

I particularly found hon. Mwai Kibaki very refreshing in one or two areas. First, he said clearly, and I think he is right, that in all these matters the Government of the day has a role to play and we have a role of making sure that the Government plays that role. It is a great recognition of the role of the Government and the role of the Opposition. Secondly, for the first time, or one of those few occasions, I heard the hon. Mwai Kibaki say that we cannot, as a country, afford to be dictated to in the name of having free enterprise. Once upon a time, there was a time when some people looked upon hon. Mwai Kibaki, as the architect of free enterprise in the Kenyan Government, simply because of his training. I am very glad that, in his role now, as the Leader of the Official Opposition, he has recognised that there cannot be a free enterprise at the expense of the welfare of our people and our country. In aspects where we need to intervene as a Parliament and as a Government, we have every right to do so. I am very glad that this afternoon the hon. Mwai Kibaki encouraged the Government to do just that where it becomes necessary.

I, therefore, would like to persuade hon. Mwai Kibaki not to boycott debate on constitutional reform because this afternoon he has won my full support. I am sure he can do that when we come to the debate on the constitutional review. If he brings an argument such as he has done this afternoon, I see no reason why that side of the House cannot take on board those ideas. I really would like to appeal to hon. Mwai Kibaki to abandon the whole question of mass action and boycotting the debate and come here tomorrow when the Report will come up. Please, let us reason together. He is an elder of this House and this nation and we will give him full hearing. This House and the country, will benefit tremendously from his contribution.

*(Several Hon. members murmured something)*

Well, you cannot have it both ways. If you say that the way is for the Government to intervene in the

economy, then the Government also has a right to intervene in the constitutional review process. That is the logic of it. But, of course, it is not a blank cheque for the Government to do what it wants to do.

**Mr. Deputy Speaker:** Order, hon. Anyona! Do not respond to provocations from the hon. Members behind you.

**Mr. Anyona:** Yes, Mr. Deputy Speaker, Sir. In that light, therefore, I would also like to say that the whole talk about a parallel Government - I am glad this is coming from non-Parliamentarians. You know that if you were to talk about a parallel Government, first of all, you would be talking nonsense. But if you are serious, then you would be talking about treason. This is just nonsense, but we do not expect nonsense from serious people. If you are talking seriously about a parallel Government, that is treason. The Attorney-General has issued a statement. You do not even have to wait until the act is committed. The act is committed when it is contemplated. It is dangerous for this nation to allow Kenyans to be told that it is possible to run a parallel Government. If, Kenyans are tired of this Government, they should get it out of the way and put in another set of leaders. They should let the current Government come on this side of the House and begin to put the other Government on its toes. But it is dangerous for Kenyans to be told that people can sit out there in a Provincial Convention Assembly and declare a parallel Government.

Mr. Deputy Speaker, Sir, we as leaders accept that, as part of the constitutional review process, we may well find that we need to sanction a Government of national unity. In fact, this has been my position since 1992. When I came from prison, I told people that it was not possible to have one political party win elections and carry out the mandate fully of the people because part of the mandate is also on this side.

I had a Harambee in my constituency over the weekend and the guest of honour was there. There were three flags, namely; the national flag, the church flag and another flag which the guest of honour did not recognise. He asked me: "Which is this flag"? I told him that, that was the flag of our party because in that constituency, it is that party that gave the mandate to the MP of the area to represent them in Parliament. That would be the same case if you went somewhere else, for example, Nyeri, you would find the flag of the Democratic Party of Kenya. The people of that area gave that mandate to that party and their leaders. Therefore, it is dangerous to allow, in the name of freedom, people to mislead the country. Therefore, I am not asking for a crackdown, but people should be properly educated that there is an extent to which one can talk. But once you begin to mislead the public, then that must be stopped. Having said that, and I thought it was very important to say that this afternoon, let me now come back to the Bill.

Mr. Deputy Speaker, Sir, I have listened to the Minister and he was quite eloquent. I have listened to the hon. Matthias Keah and, as I said, I have also listened to hon. Mwai Kibaki. If you put their contributions together and what we are going to say, it will be quite clear that the purpose of the Supplementary Estimates is not properly established. The budgetary progress is a very important process in our national life. In fact, it is the life blood of the nation. If we do not have the Budget in place, this country will come to a halt. Therefore, when we have the main Budget, we cover the full spectrum of our national life from 1st July to June 30, and we pass the Appropriation Act. Then we go back and expect that the Government will implement and manage the affairs and the resources of this country in accordance with the policies contained in those budgetary provisions.

Mr. Deputy Speaker, Sir, there was a time when what was called a mini-budget was something exceptional. If we were to have a mini-budget, there had to be exceptional reasons for doing it. In fact, in some countries like Great Britain, if the Government was forced to come up with a mini budget, it almost lost in the immediate following elections.

The people will not understand how the Government could formulate a Budget, and then come back and say: "We did not do it properly! Give us some more money!" In this country, our system is modelled in the British system. The Supplementary Estimates are placed in our laws as a safety valve in situations of emergency. They are not supposed to be a normal method of budget-making. In the old days, when the economy was regulated, if we were told the price of petrol from midnight will be so much; if it was very high, we felt very tense. But then, we got used to it. But we knew that for the rest of that year, it will remain the same. We will wait for the next year and hope that it will go down. Then gradually, things began to change. I think this is why we lost track. The people got involved in mismanagement of budgetary provisions, finances and all manner of excuses were made. Some of it became conduit of corruption. The people would squander or steal public funds knowing that when they fell short, they would come to Parliament and get Supplementary Estimates. Let us remember that Supplementary Estimates do not come from the Treasury, Ministry of Finance or the Government! They come from Kenyan taxpayers. The Kenyans taxpayers have never really understood why, after we make the Budget, and tell them to tighten their belts, we come back and say: "Well, that was not enough! Give us some more! What we told you would be spent on this project is not available! We have reduced. We want to top up this one!"

What I am saying is this: The Supplementary Estimates process should be an exception rather than a general rule. The general rule is that we should have a Budget once and for all at the beginning of the year. Then, we plan to have another Budget. if, for some reason, some emergency occurs, we then would have some Supplementary

Estimates. That way, we could understand why we have them. But at the moment, I think the reason for Supplementary Estimates is due to poor budgetary planning, financial management and collection of revenue. I know that hon. Keah tried to justify and say that there is a shortfall in revenue collection. I did not hear the Minister for Finance say that. If that is true, then this is not going to help you! We are not giving him any more money! We are merely making him very unpopular by telling him to reduce some money from some areas and put it in another areas. The people affected knew that money was available for the project. The people will say that the Minister has been influenced and he is not firm. He is doing somebody else's bidding. So, truly, if our problem was to give the Minister more money to be able to do the job he must do, then the thing is not to tell him to reduce. He should come here and tell us that he needs some new taxation provisions, to enable him to get some more money. But then, you will have to convince us why you were not able to collect the revenue. I think the time has come when the Minister for Finance, for effective management of the Budget, should periodically come to the House and tell us how he is doing. He should tell us how the economy and revenue collection are doing, so that we can help him to enhance those processes. It is of no use to wait until things have come to a halt, which is the case right now! The Government cannot pay its bills. The Members of Parliament here cannot be paid their mileage and sitting allowances! You know the rest of it! We do not wait until that happens, and then come to the House! Now, we have to rush the Bill so that we can get money. Are we saying that there is money in the kitty in the Treasury? All the Minister requires is the authority to tap it. But then we gave him the authority for one whole year! What happened to it! I am not even sure that what we are doing here is right. We are not giving the Minister any more money! We are telling him to reduce from here and take it there! That is going to happen again. This distortion will take place even in the question of Supplementary Estimates. I would like to see, as part of a new efficient management of our resources and national affairs, that the question of Supplementary Estimates becoming an exception or a thing of the past.

Having said that, let me also say one more thing. Once upon a time, I was an airline manager. There is something they call corporate management. In corporate management, they talk about management by crisis. You wait until a crisis blows up, and then you begin to manage it. Then, what you are really doing is that you are not dealing with the situation as it is. You are managing the crisis. You spend money and energy managing a crisis. Why do I say that? If you look at the way we have done things, when problems arise, and which is normal--- Sometimes I meet people who tell me: "This job of yours is very difficult!" I say: "Yes!" That is what it requires. That is why Members are elected. If there were no problems, why would you elect a Member of Parliament? Why would you need a Government? As an example, the Government has a problem. We, on this side of the House are pressurising the Government to take action. They feel that they would like to take advantage of some expertise. Maybe, they set up a commission under the normal standard way of dealing with issues. The commission can go into the issue, find out the pros and cons, come back, advice the Government, and then the Government acts from the position of knowledge, wisdom and accuracy. Now, that is the purpose of the commission. It is not part of management by crisis. It is a normal way of doing things, where issues are bigger than you can deal with by the stroke of the pen. In our circumstances, the commissions have become discredited. They have become a way of passing the buck. Yet, they are very expensive to the country.

Just as an example, we had a Commission on devil worship. I would like to presume that it was felt that devil worship was a serious enough public issue, to require the Government to set up a Commission to find out what was going on. The Commission was also supposed to advice the Government on how to deal with it. This was correct. The Commission was set up, a lot of money was spent and a Report was made. It has taken a lot of time of this House for Members to demand for that Report to be made public. I would like to concede that the Government has a right, once it sets up a commission to advice you on how to deal with a particular issue, choose what you think answers the problem that you have. We will that right when we sit there next time. We will try and influence your decision in the best way we understand it. That is part of the whole process. But you do not set up a commission and then, either hide the report, or when you are pressurised, you call a press conference and give it to the pressmen who do not even understand what it is all about! You do not tell them what you are going to do with that report! Then, that is the end of the story. How are you accountable to the people and the country for the resources spent on that report? Why do you not get from the report what you think you require to make a policy decision? You can say the same of the Commission on Tribal Clashes and the Education Review Commission, which is very current. Now, there is a major debate, which is really a major confusion. There are people who are taking positions which are not tenable. When you are on that side of the House you are saying: "We cannot implement the 8.4.4 education system!" We on this side are saying: "You must implement the 8.4.4!" By the way, the biggest cry against the 8.4.4 education system, has been coming from this side. What I am now hearing is: "No! No! No! You must implement the 8.4.4 education system. That is not the way to do it. The way to do it is for the Ministry of Education, the Government and the experts to sit down and say: "What in this Report can enhance our educational system for the future? What can correct thee mistakes and distortions of the past?" Then, you as the Government must

take a position. Do not allow yourselves to be cajoled and then start a quarrel with invisible people through the press and you abandon the major project. In this country, we want to know in the new millennium, what is our education system and what is going to be there in 50 years. Please tell us. Do not throw that report away because of one aspect. You have every right to say that you do not want to implement the 8-4-4 system of education. That is your right. If we want the 8-4-4 system of education when we come to power, we will get the people to give us the mandate to do it, but for the time being you have that responsibility.

Mr. Deputy Speaker, Sir, if I may also now come to the question of poverty eradication, let this not be another sing-song. This country is in real abject poverty and we must deal with it genuinely and seriously. I do not believe that you can resolve the problem of poverty eradication by merely talking or asking donors to come. The basic resource of wealth is land. It is land! All economists will tell you that. So, let us deal with the land system in this country. It is not possible for a few Kenyans to own large tracts of land which they do not use and which they grabbed really. Can you tell me that all these pieces of land that they have they did not grab? All of them grabbed. Yes! Let us deal with that land. Let us not even wait to ask them to volunteer to give it out since they will not. This Government and this country must deal with the land question. You have seen what is going on in Zimbabwe. It is an issue that they should have dealt with when they got independence. However, of course, Wazungu would not have allowed them to do that at that time. Now, they are saying: "No, let us deal with it". It is an issue that has not been resolved.

Mr. Deputy Speaker, Sir, I do not believe that you can deal with poverty when income distribution is the way it is. When some people are billionaires and others are paupers and tell us to work harder. Where? Who works harder than the ordinary farmer at home? Who works harder than the ordinary hawker in town here? I see them hawking through social places at night, including women and little children. What does working hard mean? What we have done is that we got all this wealth through wrong means; by grabbing actually and by stealing really. Now, let that belong to the past. What we want to do now is that if you have this wealth we must distribute and pay tax so that other people can benefit from the services that accrue from there.

Mr. Deputy Speaker, Sir, the question of poverty eradication must depend on investments. The investments from where? Our own people here who have the resources to invest do not invest here. They invest outside. Is that not so? Therefore, we must have a requirement that people, who have resources particularly indigenous resources, must be required to invest locally. We must create environments so that they must invest here. I do not have to say this, but there cannot be no investments co-existing or cohabiting with corruption. So, let us not pay lip service to corruption. Let us deal with corruption at the roots and then we can begin to talk about poverty eradication. If you pay farmers peanuts and sometimes nothing for months on end and for years, how can you eradicate poverty? If you retrench teachers and other civil servants in the name of the World Bank and the IMF, then they will just go and sit home and eventually die. They are not going to be productive and they will not do anything and yet, we talk here about poverty eradication when we are retrenching people. Like, I think, hon. Mwai Kibaki said or hon. Keah, we have trained young people in education in all fields and, in fact, this liberalisation started long time ago. Indeed, many of them have been educated by their parents. The Government has not paid a single cent to educate them to give them skills and yet, we are not able to employ them simply because the World Bank and the IMF have said that there must be a certain number of teachers. Now, in their own countries, their own system is such that the Government does not even employ teachers. So, they do not have that problem. However, for us, you see some times, maybe the emphasis is misplaced. When people say: "Serikali ndiyo baba na mama". Hiyo ilkuwa mambo ya zamani ya KANU. However, when you say: "Serikali ndiyo baba na mama", this is correct. I was at home over the weekend and this is the point hon. Mwai Kibaki was talking about, and farmers were asking me: "They want to liberalise KTDA and so what is going to be the role of the Government?". I answered them: "Well, it is still being discussed". They then said: "Listen, if you liberalise and the Government walks out and we are messed up by our own people, whom we elect, then where do we go?" The Minister for Agriculture was here and we had a meeting yesterday in Kericho and that is precisely what I was telling him. We must find a role in this liberalised economy for the Government because for us, the driving force is not the Companies Act. I even listened to that discussion. I raised it yesterday in Kericho. Even if you call all the farmers in a general meeting and they elect the board of directors, that is all very well, but first of all the ordinary farmers will not be able to influence the elections. It is the big people who will get their people elected to fill in those positions.

Mr. Deputy Speaker, Sir, secondly, under the Companies Act, it is the board of directors that dictate terms. If they say that there are no dividends then that is it. If they said it shall be so-and-so, under the Companies Act. What I was asking the Minister yesterday is: "How can you run a farmer's organisation under the Companies Act?" You will have to modify certain aspects of the Companies Act and Articles of Association to be able to give effective control to the farmer, but under the Act, it is not possible to do that at the moment. In any case, that Act was never really meant to assist the African business people. It is a piece of that Act is used by the capitalist system wherever it exists. We have never even looked at it. I mean, how does the Companies Act affect these women who sell mboga and all these things? How does it affect them? That is also business since it is an economic activity and yet they are not protected; they do

not get credit or anything. All they get is beating by the rain and harassment by policemen and the City Council askaris.

Mr. Deputy Speaker, Sir, as I said, I am very happy this afternoon and we are talking on an important matter where I think there is a meeting of the minds on both sides. I think that is the way we should proceed and as I was saying, when we start the debate tomorrow maybe on the report of the Select Committee, we would like goodwill to prevail. We would like collective wisdom in this Parliament to prevail. This is because when this Parliament has let the country down, there is no way you will say that: "I was not there; I was at Ufungamano". If you say that, the wananchi will ask you: "But, where did we elect you to go to Ufungamano?" Of course, you can go from Parliament to Ufungamano and tell them what the Parliament has decided.

*(Applause)*

Mr. Deputy Speaker, Sir, I think with those few words, I beg to support.

**Mr. Mboko:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Bill.

I will touch on a few sections on what has been proposed by the Minister. Firstly, it is the first time in the annals of Kenya's history that, a Budget has been reduced in a big way during the Supplementary Estimates. I know that the Minister has got good intentions of having a balanced Budget, as was promised in last year's Budget, but I know there was a drastic drop in revenue collection. This drop in revenue collection has been necessitated by higher taxation imposed on some locally produced commodities.

For example, multi-national companies in this country have been heavily taxed. When they are heavily taxed, that tax component has got a very big impact on the farmer.

For example, when you tax heavily beer and cigarettes, the barley farmer in Narok and the tobacco farmer in the Rift Valley will be affected because it will mean that, there will be very few consumers of that product due to overpricing. With a liberalised market in this country, people will live on cheap imports and when they do so, it would mean that, our agricultural sector will collapse.

Mr. Deputy Speaker, Sir, the East African Breweries was previously brewing about 28 million litres of beer. But nowadays, it cannot brew more than 12 million litres. This means that, there has been more than 50 per cent tax on barley production in the farm. Therefore, to improve the incentive to the barely farmer, the user of the barely farmer's output must be protected by the Government. This will give an overall performance in the economy by creating more employment opportunities in the agricultural sector. When there are more employment opportunities in the agricultural sector, there will be more revenue collected because many people will be in employment.

Mr. Deputy Speaker, Sir, there are companies like BAT and EABL which have invested [Mr. Mboko] so much in farming and research activities for the benefit of this nation. When the Ministry of Finance is taxing them, he does it in the office through imaginations: "How much revenue shall we get from this sector?" They just imagine the percentages and load it over the farmers. This is not practicable! In a liberalised market situation, our produce as Kenyans--- The slogan that "Buy Kenyan products, build Kenya" must be emphasised.

Mr. Deputy Speaker, Sir, with regard to *El Nino* Emergency Fund; it has been the talk in the House, day in, day out, in this Parliament since 1998. But when looking at the implementation of the projects since the Fund was started, I have not found a Fund which has been misappropriated like the *El Nino* Emergency Fund. We have gone to the extent of---

**The Assistant Minister for Roads and Public Works (Mr. Mwakalu):** On a point of order, Mr. Deputy Speaker, Sir. In view of the repetitions that are now going on with respect to the Motion, I would like to propose that the Mover be now called upon to reply.

*(Applause)*

**Mr. Deputy Speaker:** Yes, hon. Jembe Mwakalu, you do not like repetitions anything and that is why you have proposed that question.

Hon. Members, you have seen that we are beginning to repeat ourselves. Ordinarily, the Supplementary Appropriation Bill is a short Bill that brings into effect what you have already passed by way of Supplementary Estimates. So, I feel inclined to agree with hon. Jembe Mwakalu that the Mover be called now upon to reply.

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

**The Minister for Finance (Mr. Okemo):** Mr. Deputy Speaker, Sir, I would like to respond to the various



comments that hon. Members have made. I will be very brief, indeed, because in my opening remarks, I did cover a lot of ground. I would, therefore, not like to repeat myself.

When I made my remarks, I thought I was extremely clear in explaining the rationale for coming up with proposals that led to some Votes being increased and others being reduced, but with the net effect of a reduction. A lot of hon. Members here have been speaking about this being the first Supplementary Estimates where we are dealing with Budgetary cuts. But I would like to emphasize that, this is the beginning of what I would like to call "Budget discipline". We do not just spend money because it happens to be in the Budget; we should spend money because we have to spend it and for a good purpose.

Having looked at the various estimates that were contained in the Supplementary Estimates, some reallocations were necessary. Where increases were necessary, they were made and where the reductions were necessary they were made too. But the major reason was that, we do not, particularly after anticipating a reduction in projected tax revenue; it was unreasonable for us to maintain the level of expenditure as projected in the Estimates. We, therefore, went ahead to try to work on cutting them down, leaving only those necessary expenditures that would fit within the revenues that we projected to collect between now and the end of the Fiscal Year. The major reason for doing that is to avoid the usual situation we have found ourselves in, from Fiscal Year, to Fiscal Year; where we spend more money than we have actually collected and then we are forced to go to the domestic money markets to borrow in form of Treasury Bills. This is what has led to high accumulation of domestic debts and that is what has led to high interest rates that everybody is talking about today.

Mr. Deputy Speaker, Sir, now, in an attempt to stem this very dangerous trend, we have said that, let us start with this Fiscal Year and we will do more in the coming Fiscal Year, to ensure that we make our Budget deficit as small as possible and in the subsequent years, we want to have balanced Budgets. Subsequently, we would like to have Budget surpluses in order to retire the very, very expensive domestic debt that has led to high interest rates prevailing in the market today.

Mr. Deputy Speaker, Sir, I would like to say that, it is not accurate for some of the hon. Members here to say that Kenya Revenue Authority is not doing a good job in collecting revenue. In fact, they have done a tremendous job. If you look at the revenue collection record for the last three to four years, you will see an upward trend. The only problem has been that, because of the low rates in economic growth, the taxable base has been getting smaller and smaller. Therefore, the corresponding tax revenue from a reduced tax base has also been declining. Based on that, we, therefore, have to cut our expenditures down to size, to fit in with the revenue that is available to us.

Mr. Deputy Speaker, Sir, I do not accept the observation that, imports of sugar have been coming in without payment of duty and other taxes. In fact, if you look at the records for the last one year, and you look at the performance of the sugar factories in this country, you will notice that they have done so well that, the stocks in their stores are at minimal points. In fact, they are doing extremely well. Therefore, I would like to confirm that, the only imports of sugar we are having today are in respect of industrial sugar because we do not produce industrial sugar in Kenya and, therefore, it has to be imported. I want to confirm that, all imported industrial sugar in this country is being charged duty and other taxes. So, on the side of expenditure, the move that we have taken on the Supplementary Appropriation Bill is necessary to reflect the realities of the day.

Mr. Deputy Speaker, Sir, hon. Members have talked about liberalisation and the role of the Government. The move towards liberalising our markets here, both the money market and the goods market begun around 1993/94. In fact, I am very surprised that the people who are now opposing that move were the major advocates of liberalisation in this country at that time. Once we embrace liberalisation, we must be prepared to face its consequences.

Were we ready to go for liberalisation at the time we went for it? The answer is no! I do not think we were ready at that time. We did not have perfect markets or many players in the market. Many of the markets here, for example, the money market are basically oligopolistic where you have major players who are actually calling the shots. Therefore, if you liberalise such a market, there is no way that you are going to arrive at a good equilibrium, in interest rates or prices that reflect forces of demand and supply. Those are the problems we are facing today because of premature implementation of liberalisation policies in this country.

Mr. Deputy Speaker, Sir, having gone that far, I think the Government's role under these circumstances is to create an enabling environment and also to define the legal and business framework within which we must operate. The Government cannot do more than that. In the case of interest rates, as I said earlier on, one needs to understand what the components of the interest rates are. We have to understand that interest rates is a component of very many elements and unless you understand how each of those components is made up, you cannot be able to adequately explain how it is determined.

Mr. Deputy Speaker, Sir, having said that, I would like to ask hon. Members to support the Supplementary Appropriation Bill in order to enable us to go on with the very important task of financing the line Ministries and departments of the Government, and also to enable the National Assembly to get on with the very important task

because various Committees need to do what they have to do. Hon. Members also need to travel from here to their constituencies and back.

With those remarks, I beg to move.

*(Question put and agreed to)*

*(The Bill was read a Second Time and  
committed to a Committee of the  
whole House today)*

#### COMMITTEE OF THE WHOLE HOUSE

*(Order for the Committee read)*

*[Mr. Deputy Speaker left the Chair]*

#### IN THE COMMITTEE

*[The Temporary Deputy Chairman  
(Mr. Musila) took the Chair]*

#### THE SUPPLEMENTARY APPROPRIATION BILL

*(Clauses 2, 3, 4, 5 and 6 agreed to)*

*(First Schedule agreed to)*

*(Second Schedule agreed to)*

*(Third Schedule agreed to)*

*(Title agreed to)*

*(Clause 1 agreed to)*

**The Minister for Finance** (Mr. Okemo): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of the Supplementary Appropriation Bill and its approval thereof without amendment.

*(Question proposed)*

*(Question put and agreed to)*

*[The House resumed]*

*[Mr. Deputy Speaker in the Chair]*

#### REPORT AND THIRD READING

#### THE SUPPLEMENTARY APPROPRIATION BILL

**Mr. Musila:** Mr. Deputy Speaker, Sir, I beg to report that a Committee of the whole House has considered the Supplementary Appropriation Bill and approved the same without amendment.

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

**The Minister of State, Office of the President** (Mr. Sunkuli): Seconded.

*(Question proposed)*

*(Question put and agreed to)*

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I beg to move that The Supplementary Appropriation Bill be now read the Third Time.

**The Minister of State, Office of the President** (Mr. Sunkuli) seconded.

*(Question proposed)*

*(Question put and agreed to)*

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

#### **ADJOURNMENT**

**Mr. Deputy Speaker:** Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 19th April, 2000, at 9.00 a.m.

The House rose at 6.25 p.m.