

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 28th June, 2000

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

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

The Annual Report and Accounts of the Kenya Trypanosomiasis Research Institute for the year ended 30th June, 1997 and the certificate thereon by the Auditor-General (Corporations).

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

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

The Annual Report and Accounts of Coast Development Authority for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of Ewaso Nyiro North Development Authority for the year ended 30th June, 1997 and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of Chemelil Sugar Company for the year ended 30th June, 1998 and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of the Kenya Seed Company for the year ended 30th June, 1999 and the certificate thereon by the Auditor-General (Corporations).

The Annual Report and Accounts of Mumias Sugar Company for the year ended 30th June, 1999 and the certificate thereon by the Auditor-General (Corporations).

*(By the Assistant Minister for
Agriculture and Rural Development
(Mr. Khaniri), on behalf of the
Minister for Agriculture and
Rural Development)*

NOTICE OF MOTION

KENYA'S GROSS INDEBTEDNESS

The Assistant Minister for Finance and Planning (Mr. Lomada): Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-

THAT, pursuant to Section 6(1) of the External Loans and Credit Act, Cap.422 of the Laws of Kenya, this House approves the increase of total indebtedness for the time being outstanding in respect of principles of amount of money borrowed or credit obtained under Section 2 of the Act, from US\$4.1 billion (Kshs320 billion) to US\$6.5 billion (500 billion).

ORAL ANSWERS TO QUESTIONS

Question No.217

SHOOTING OF RICHARD KAMAU

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

- (a) if he is aware that a student by the name Richard Kamau was recently shot dead in error by police;
- (b) how many people have been inadvertently shot by police in the last three years and their names; and,
- (c) what urgent measures he is taking to stop these unnecessary deaths.

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

(a) I am aware that a student by the name Richard Kamau Muriu was killed by a stray bullet during a shoot out between police and robbers on 4th April, 2000 at about 7.00 p.m within Pangani area.

(b) Today, 34 people have been inadvertently shot by police in the last three years.

(c) The Government has issued very firm instructions to police officers to exercise maximum caution while handling firearms in order to minimise or eliminate chances of injuries or death of innocent people. In the past, officers found to have misused firearms have been dismissed and charged, and we are going to strengthen and prefer stiffer penalties on members of the Police Force who engage in actions that end up in injuries or deaths of innocent people.

Mr. Munyao: Mr. Deputy Speaker, Sir, I doubt whether it is true that in the last three years only 34 persons have been inadvertently killed by the police. However, if that is the case, when were those instructions he is talking about given, because it looks like every other year people are still being killed by the police in the pretext of stray bullets?

Mr. Samoei: Mr. Deputy Speaker, Sir, members of the Police Force have not engaged in killing people, but we have had cases of stray bullets and mishandling of firearms that has resulted in the deaths of innocent people which we regret. We have issued very firm instructions and taken action on cases that we have proof and evidence that it was a case of mishandling firearms. The case the hon. Member has mentioned is one such case, and we have opened an inquest file. Soon we will finalise the findings of that inquest. If we find out that the police officers in question actually misused the firearms, we will take very stern action.

Mr. Kihoro: Mr. Deputy Speaker, Sir, the Assistant Minister has admitted that 34 people have been killed in the last three years. He has also admitted that the police officers concerned are being investigated. Could the Assistant Minister tell the House how many policemen have been arrested, especially in light of the concern expressed by hon. Members, that the police are frequently opening fire on unarmed civilians without any justification?

Mr. Samoei: Mr. Deputy Speaker, Sir, I still dispute the fact that the police open fire on innocent people. What I have admitted is that---

Mr. Deputy Speaker: Order! The question he has asked you is how many police officers have been arrested. Leave alone your disagreement with his opinion.

Mr. Samoei: Mr. Deputy Speaker, Sir, I think it is important for me to answer that question against the background that he has asked the question.

Mr. Deputy Speaker: Order! Answer the question.

Mr. Samoei: Mr. Deputy Speaker, Sir, various inquest files are still at various stages. I do not have the figures of the police officers who have been either dismissed or jailed yet, but I could provide that figure.

Mr. Magara: Mr. Deputy Speaker, Sir, the Assistant Minister has said that they have issued fresh and strong instructions, but even His Excellency the President who is the Commander in Chief of the Armed Forces gave orders the other day and two days later several Mungiki followers were shot dead. From where are these orders of shooting bullets coming from even after His Excellency the President gave a directive that this should stop?

Mr. Samoei: Mr. Deputy Speaker, Sir, I admit that the President gave a directive. I think the issue the hon. Member has attributed his argument to is in contest because while police are not supposed to use live bullets on people who are unarmed, they have very firm instructions to deal firmly with crooks and armed persons. Those instructions include shooting to maim those who have ammunition.

Mr. Munyao: Mr. Deputy Speaker, Sir, I still have doubts as to whether in the last three years only 34 people have been killed by stray bullets. How many police officers have been disciplined as concerns the 34 cases? How many cases have been dealt with to the end and how many are pending?

Mr. Samoei: Mr. Deputy Speaker, Sir, as I said, I do not have the details because the various inquest files

that have been opened are at various stages of conclusion. Given time, I can give the various stages a number of cases have reached.

Mr. Munyao: On a point of order, Mr. Deputy Speaker. Could the Assistant Minister tell the House when he can bring this answer to the House even in written form?

Mr. Samoei: Mr. Deputy Speaker, Sir, 21 days is a good time for me to be able to compile that list.

Question No.154

PAYMENT OF PENSION TO MR. OGOLA

Mr. Ochilo-Ayacko asked the Minister for Finance why he declined to pay Mr. Kenneth Robinson Ogola, Pensioner Number PC31215, his pension for January, 1991.

Mr. Speaker, Sir, I would like to point out that I have not received a written reply.

The Assistant Minister for Finance and Planning (Mr. Marrirmoi): Mr. Deputy Speaker, Sir, the answer was forwarded. If the hon. Member has not received it, I think it is still on the way. However, I beg to reply.

Mr. Robinson Ogola, Pensioner No. PC 315215 has been on monthly pension payroll since 1st June, 1990 to date. He has, therefore, been paid his monthly pension for January, 1991.

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, the Assistant Minister has not explained why I have not received a written response. I do not know where he forwarded it as he has claimed. I believe that it is the instruction of the Chair that such a response should be given. In fact, the number which the Assistant Minister has read out is wrong. Could he answer the Question which I had asked? He has read a wrong number and responded to the Question wrongly.

Mr. Marrirmoi: Mr. Deputy Speaker, Sir, the number according to the Order Paper is PC31215.

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, the Assistant Minister reckons that the pensioner has been paid his pension for January, 1991. Could he state the date and by what mode? If it was by a cheque, then he should indicate the cheque number. The instructions I have are that this amount has not been paid to the pensioner to date.

Mr. Marrirmoi: Mr. Deputy Speaker, Sir, the pensioner has been paid through the District Commissioner, Migori and he has been receiving his payment since 1991 to date.

Mr. Ochilo-Ayacko: On a point of order, Mr. Deputy Speaker, Sir. I had asked the Assistant Minister to state the mode of payment. If it was by a cheque, he should indicate the cheque number. Is he in order to decline to answer the Question as asked?

Mr. Deputy Speaker: Order, Mr. Ochilo-Ayacko! He has not declined to answer the Question. He is saying that pensioners in Migori are paid through one cheque sent to the District Commissioner. Mr. Marrirmoi, if he has been paid by one cheque sent to the District Commissioner, give him the cheque number!

Mr. Marrirmoi: Mr. Deputy Speaker, Sir, I do not have the cheque number.

Mr. Deputy Speaker: In that case, I will defer that Question to Tuesday, next week.

(Question deferred)

Question No.230

COMPLETION OF LBDA HEADQUARTERS

Mr. Onyango asked the Minister for Rural Development:-

- (a) if he could explain how much money is needed to complete the stalled Lake Basin Development Authority Headquarters after an estimated Kshs.70 million was pumped into it;
- (b) if he could explain why the project stalled; and,
- (c) why the Lake Basin Development Authority opted to build their own office complex instead of buying the office complex offered by Kenya Re-insurance Corporation at Kshs.15 million.

The Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo): Mr. Speaker, Sir, I beg to reply.

(a) An amount of Kshs400 million is needed to complete the Lake Basin Development Authority (LBDA) Headquarters. This includes the actual costs and overruns.

(b) The project stalled mid 1992 due to lack of funds because the Treasury was unable to release development funds.

(c) There are no records to indicate that Kenya Re-insurance Corporation proffered LBDA an office complex to purchase at Kshs.15 million.

Mr. Onyango: Mr. Deputy Speaker, Sir, could the Assistant Minister explain why the project was started when they did not know where they were going to get money? Was it a way for some people to get money from that project?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, I think the hon. Member is aware of the economic hardships that this country underwent during that period. All projects, including the LBDA were terminated.

Mr. Achola: Mr. Deputy Speaker, Sir, the Assistant Minister has not given the reason why they had to go for a more expensive office complex and leave a more cheaper one. Could he give us the reasons?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, as I have indicated, there are no records to indicate that Kenya Re-insurance Corporation proffered LBDA an office complex to purchase at Kshs.15 million.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, LBDA offices are just but part of the many abandoned projects in Nyanza Province, besides the Provincial Headquarters and the Molasses Plant. It appears as if this Government has got a penchant of starting projects in Nyanza Province which they never complete.

Mr. Deputy Speaker, Sir, could he tell us whether there are any plans to complete this vital project in the near-future?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, I would like to assure the hon. Member that when funds become available, we will complete the project.

Mr. Onyango: Mr. Deputy Speaker, Sir, could the Assistant Minister explain how much money was supposed to be spent on the project and how much was actually used?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, the project was to cost Kshs.396,650,283. By the time it stalled, we had only used Kshs.5 million.

Question No.104

UPGRADING OF NAVAKHOLO EXCHANGE

Dr. Kulundu asked the Minister for Information, Transport and Communications what urgent measures he is taking to upgrade to Subscriber Trunk Dialling (STD) status, the telephone exchange at Navakholo Divisional Centre in Lurambi Constituency.

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

The automation of the above exchange is not economically viable at the moment due to the low telephone demand in the area. This notwithstanding, Telkom Kenya has plans to put an automated exchange at Navakholo Division Centre in Lurambi Constituency, in the Telkom Development Programme which extends from the year 2000 to 2005.

Dr. Kulundu: Mr. Deputy Speaker, Sir, let me take this opportunity to thank the Assistant Minister for that answer. But I wish to point out to him that there are some pending applications for telephone services at Navakholo Division Centre which date back to 1995, including my own application. Is the Assistant Minister aware that there are 47 un-met telephone applications pending at Navakholo Telephone Exchange?

Mr. Keah: Yes, I am aware that there are some pending applications at Navakholo Telephone Exchange. The statistics I have here show that the Exchange has a capacity of 70 lines. Currently, there are only 11 subscribers connected to it. A total of 34 customers are on the waiting list. Out of these, 28 are distantly located in a scattered manner which calls for large quantities of lines plant materials to serve them. Ways and means are being considered by Telkom Kenya to procure the cables and drop wires for service provision in respect of this. Six customers have already been considered and advised for connection payments. We are waiting for those connection payments so that we can connect them.

Mr. Shitanda: Mr. Deputy Speaker, Sir, the Assistant Minister has told us that due to low demand, Telkom Kenya is not able to automate the Navakholo Exchange. Could he tell us the reason why the neighbouring Malava, with a capacity of 65 lines which are all being utilised, has not been automated?

Mr. Keah: Mr. Deputy Speaker, Sir, the criteria used to determine the upgrading of a station to automation status depends on capacity and, indeed, utilisation. These aspects involve not only the installation and payment of standing charges but also the frequent utilisation of the lines. The experience of Malava, which he has

quoted, must of necessity be a situation where the lines are there but are not frequently utilised and, therefore, not profitable.

Mr. Mwenda: Could the Assistant Minister tell this House how much demand would meet the requirement for automation?

Mr. Keah: Mr. Deputy Speaker, Sir, this is a question of numbers which must be measured by the real income that is got through the charges on a monthly bill. So far, where the monthly bill is only the standing charge and no calls are made, that will not warrant automation.

Eng. Muriuki: Mr. Deputy Speaker, Sir, the question which we want to know is: What is the level of demand required so that you can justify bringing STD into an area? We cannot peg it on charges because there can be no charges until the STD is there. Hon. Kulundu has stated that he is among the 34 applicants who do not have telephone lines yet. What is the minimum number required before STD can be provided?

Mr. Keah: Mr. Deputy Speaker, Sir, there are a number of issues here. It is the connected lines as well as their utilisation. When the revenue realized from those lines exceeds the costs---

Dr. Ochuodho: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to keep on misleading the House by talking about usage when he does not have any facts to support his claims? He also knows that it is very expensive to maintain old equipment!

Mr. Deputy Speaker: Order, Dr. Ochuodho! I think this is the 100th time that you are being advised not to stand on a point of order and then start asking questions. Let this be the last time.

Mr. Anyona: On a point of order, Mr. Deputy Speaker, Sir. Our rules prohibit Members from seeking an opinion from a Minister. What we are being treated to here are opinions! Is he in order to give us opinions when we are not required to ask for his opinions?

Mr. Deputy Speaker: Order, hon. Members! When Questions are asked, factual information is required in return. It should not be an expression of opinion or some other idea. What the hon. Members want to know is, what numbers do you require to justify the installation of STD?

Mr. Keah: Mr. Deputy Speaker, Sir, that is a financial matter. All I can say is that when the revenue collected exceeds the expenditure in a month, that is when a station deserves automation. The basis is purely on profitability.

Mr. Deputy Speaker: Order! Hon. Assistant Minister, hon. Dr. Kulundu has told you there are 34 pending applications. You would not know how much money those people will spend until you have connected them. So, in the case of Navakholo, how will you determine that you have arrived at that level?

Mr. Keah: Mr. Deputy Speaker, Sir, in respect of Navakholo, the answer I have states that 35 lines must be connected, provided there is frequent usage which brings in profit.

Mr. Wambua: Mr. Deputy Speaker, Sir, can the Assistant Minister tell us what he means by "frequent payment or usage" since these people qualify, taking into consideration the fact that those who fail to pay for this service will have their phones disconnected? What does he mean by "frequent"?

Mr. Keah: Mr. Deputy Speaker, Sir, the frequency is determined by the revenue coming in. This is financial and I cannot say ten, 100 or 200 calls. It is the revenue coming in compared to the expenditure. This is financial!

Mr. Deputy Speaker: Order! Hon. Assistant Minister, as you can see these Members are far from satisfied. Dr. Kulundu, the last one.

Dr. Kulundu: Mr. Deputy Speaker, Sir, when this telephone exchange was installed at Navakholo in 1974, there were 37 telephone lines and the number has been gong down due to the poor quality of service because of this old equipment. Now, whereas I appreciate the Assistant Minister's answer, could he assure me as a friend that this installation of the automatic exchange will be done before the year 2002 for "obvious" reasons?

(Laughter)

Mr. Keah: I sympathise with my good friend, hon. Dr. Kulundu, and we shall do our best because it is in the programme of 2000 to 2005.

Mr. Anyona: Mr. Deputy Speaker, Sir, I think this is an important issue to be made clear once and for all. Very often the answers we get from Ministers are opinions and conjecture when, in fact, it is against the Standing Orders. Can the Chair make it abundantly clear that when civil servants write answers for Ministers to reply to Questions in this House, they must not express conjecture and opinion, they must give Parliament facts and figures?

Mr. Deputy Speaker: Order! Hon. Members, well, I can do no better than to advise you to read your

Standing Orders from Standing Order No.35 onwards because that gives you in details what Questions ought to contain and what answers ought to be like. So, really, let us follow our Standing Orders strictly and we shall have no problem. Next Question! Mr. Anyona!

Question No.095

REHABILITATION OF KISII
DISTRICT HOSPITAL

Mr. Anyona asked the Minister for Medical Services:-

(a) whether he is aware that Kisii District Hospital was built in 1916 and requires major rehabilitation in building renovation, sanitary facilities, water supply and expansion of service capacity;

(b) if he is further aware that the hospital serves a population of more than one million people from Kisii, Gucha, Nyamira, Trans Mara, Migori, Kuria, Suba, Homa-Bay and Rachuonyo Districts; and

(c) when the hospital will be upgraded to the status of a provincial hospital on the basis of its wide geo-graphical population catchment.

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

(a) Yes, I am aware that Kisii District Hospital was built in 1916 and requires major rehabilitation.

(b) I am aware that the hospital serves a catchment population of more than one million people.

(c) There are no immediate plans to upgrade the hospital to a provincial hospital.

Mr. Anyona: Mr. Deputy Speaker, Sir, at least, I am glad the Minister has not expressed conjecture or opinion. However, be that as it may, since the Minister has agreed that the situation is as bad as this, can he faithfully consider my request because this is an area that has a problem of malaria and people die mainly not because of lack of drugs but because the capacity of the hospital cannot meet the urgency?

Can he kindly consider carrying out the measures that have been enumerated in the Question, that is rehabilitation, renovation and expansion? This is because the status would help the hospital to get these other facilities because I think there is categorisation and if it is a district hospital it cannot get this facility and yet, the services it offers are those of a provincial hospital. Can he consider these requests?

Dr. Anangwe: Yes, I will consider that.

Mr. Magara: Mr. Deputy Speaker, Sir, I think this is a very serious issue, bearing in mind that Professor Ongeri who is seated here is the senior of the hon. Minister who has just answered the Question and he knows the seriousness of this matter in our district. Would it be in order for me to request Ongeri to answer that Question because he is directly responsible?

(Laughter)

Mr. Deputy Speaker: Order! Hon. Magara, is the "Ongeri" you are talking about a Member of this House?

Mr. Magara: Yes, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: We do not know "Ongeri"; we know "hon. Professor Ongeri"!

Dr. Anangwe: Mr. Deputy Speaker, Sir, I take great exception to that remark because this is my docket and it is not his responsibility to allocate dockets.

Dr. Kulundu: Mr. Deputy Speaker, Sir, this is a very important Question, considering the size of the population that Kisii District Hospital serves. Can the Minister tell us how many doctors there are in Kisii District Hospital?

Dr. Anangwe: Mr. Deputy Speaker, Sir, Kisii District Hospital has 17 doctors distributed as follows: One ophthalmologist, that is an eye specialist; one gynaecologist; one physician; one surgeon; one paediatrician; one dentist; one radiologist; nine medical officers, 23 clinical officers and 189 nurses.

Mr. Wambua: Nurses are not doctors!

(Laughter)

Mr. Nderitu: Mr. Deputy Speaker, Sir, although the Question is asking about Kisii area, I would like

the Minister to tell the House when his Ministry will renovate all the provincial and district hospitals.

Dr. Anangwe: Mr. Deputy Speaker, Sir, may I respond as follows: When the Minister for Finance did make his statement here, he did say that there is a shift in terms of emphasis from curative services to real preventive and promotive health and as a consequence, we are shifting more resources from curative services which include services to district hospitals and provincial hospitals and, therefore, our capacity under Medium Term Expenditure Framework (MTEF) is limited. You are going to see more resources channelled towards preventive and promotive health. However, those hospitals that we have earmarked for improvement are included in the Development Estimates.

Mr. Gitonga: Mr. Deputy Speaker, Sir, arising from the supplementary question raised by hon. Anyona and the Minister's answer in the affirmative that he will consider the former's request, when is this likely to be put into action?

Dr. Anangwe: Mr. Deputy Speaker, Sir, as you know very well, we have just printed the Development Estimates. The rehabilitation of this particular hospital is not included in the Development Estimates for the coming financial year. But, as we proceed to the 2001/2002 financial year, I promise to consider the hospital.

Dr. Kituyi: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister to seek monies for the rehabilitation of an existing hospital under Development Estimates, when rehabilitation is part of maintenance?

Mr. Deputy Speaker: I am sure the hon. Minister meant Recurrent! Renovations cannot be Development!

Dr. Anangwe: Mr. Deputy Speaker, Sir, the works required are major. The works are in terms of buildings, sanitation facilities, water supply and expansion of service capacity. In any case, as we go about eliciting for funds, we deal with donors who participate in development projects. It is not so much on the recurrent aspect of our Budget.

Dr. Kituyi: But, Mr. Deputy Speaker, Sir, he wanted to pretend that he meant Recurrent Estimates! But you can obviously see that he is not dealing with Recurrent! Can you advise him? He does not know what he is talking about!

Question No.271

GRADING OF ROADS IN THARAKA

Mr. Mwenda asked the Minister for Roads and Public Works:-

(a) how much money he has set aside for the grading of roads in Tharaka; and,

(b) how much was allocated to Tharaka from the Roads 2000 Programme.

The Assistant Minister for Roads and Public Works (Eng. Rotich): Mr. Deputy Speaker, Sir, I beg to reply.

(a) My Ministry has set aside Kshs626,984 under the Fuel Levy Fund for grading Tharaka roads during the 1999/2000 financial year.

(b) No money was set aside for the Roads 2000 Programme in Tharaka.

Mr. Mwenda: Mr. Deputy Speaker, Sir, when the Roads 2000 Programme was launched in Meru Town, the then Minister for Roads and Public Works, Mr. Kipkalia Kones, assured us that all the districts in Eastern Province were to get Kshs100 million each. What happened to the money that was designated to Tharaka District?

Eng. Rotich: Mr. Deputy Speaker, Sir, the money he is talking about is under the European Union (EU). At that particular time, when the project was conceived, Tharaka and Nithi Districts were one district.

Mr. Katuku: Mr. Deputy Speaker, Sir, the problem of Roads 2000 Programme is not only in Tharaka District. It is in all the other districts in the Province. The roads which were to be done using this money have not been done.

Mr. Speaker, Sir, could the Assistant Minister tell us what went wrong between the donor and the Government?

(Mr. Angwenyi squatted in the Front Bench)

Mr. Deputy Speaker: Order, hon. Angwenyi! That is extremely disorderly!

Mr. Katuku: Mr. Deputy Speaker, Sir, he was begging something, but I do not know what it is!

Mr. Deputy Speaker: He can beg seated!

(Laughter)

Mr. Katuku: Mr. Deputy Speaker, Sir, I understand that, there is a misunderstanding between the Government and the donor, on the issue of the Roads 2000 Programme.

Mr. Deputy Speaker, Sir, could the Assistant Minister clarify the position as it is now? The money has not been received and nothing has been done! We are being told that the roads will be done when money will be released. Could the Assistant Minister tell us what is the problem?

Eng. Rotich: Mr. Deputy Speaker, Sir, there is no problem as such between the Ministry and the donor!

Mr. Mwenda: Mr. Deputy Speaker, Sir, it is true that when the programme was launched, Tharaka District was together with Nithi District. But now that the former Tharaka-Nithi District was split, why has the Ministry not considered giving Tharaka District its portion of Kshs50 million?

Eng. Rotich: Mr. Deputy Speaker, Sir, during the next financial year, the Ministry, and not the EU, will implement the Roads 2000 Programme in Tharaka District.

QUESTIONS BY PRIVATE NOTICE

REGISTRATION OF KCSE CANDIDATES IN RACHUONYO

Mr. Otula: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Education the following Question by Private Notice.

(a) Is the Minister aware that the Ministry has not registered students from the following schools in Rachuonyo District for the Kenya Certificate of Secondary Education (KCSE) and yet, the examination fees were paid through the District Education Officer, Rachuonyo, before the closing date:-

(i)	Wire Secondary School	-	23 students
(ii)	Oyugis Secondary School	-	5 students
(iii)	Gendia Secondary School	-	1 student
(iv)	Atela Secondary School	-	1 student
(v)	Apondo Secondary School	-	1 student
(vi)	Mititi Secondary School	-	1 student
(vii)	Nyabola Secondary School	-	1 student?

(b) What urgent steps is the Minister taking to have the students registered for the examination?

The Assistant Minister for Education, Science and Technology (Mr. Karauri): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that due to various reasons, especially the prevailing drought and economic hardships in the country, unusually many candidates could not meet the May 31st deadline for registration of the KCSE examinations.

(b) I am pleased to assure the House that my Ministry has already sympathetically taken up all the appropriate appeals received, including the 33 from the seven Rachuonyo schools. Therefore, arrangements are underway to facilitate the registration by 3rd of July this year.

Mr. Otula: Mr. Deputy Speaker, Sir, I must thank the Assistant Minister for giving me a very good answer. But before I brought this Question to this House, the Director of Education had directed the Secretary of the Kenya National Examination Council (KNEC) to register those schools. What assurance is the Assistant Minister giving this House that the Secretary will register those schools?

Mr. Karauri: Mr. Deputy Speaker, Sir, the Secretary of the KNEC is under the Minister. There is no way he can defy the Minister!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, could the Assistant Minister extend that good gesture to all students in Kenya, who have not paid school fees in full they will be register in time?

Mr. Karauri: Mr. Deputy Speaker, Sir, I

have already said that.

Mr. Mutahi: Mr. Deputy Speaker, Sir, could the Assistant Minister undertake--- If you look at the list, and get the details of why this situation occurred, you will find out that the students had some fees balances. Could the Assistant Minister make it a policy that, even if the students have not paid full school fees, they will be registered for examinations? Then later, you can follow-up on whatever balances there could be.

Mr. Karauri: Mr. Deputy Speaker, Sir, I take those sentiments seriously. We have heard that this has happened in some areas. Some headmasters may want the students to clear other fees balances before they are registered. But I take those sentiments very seriously.

Mr. Odoyo: Mr. Deputy Speaker, Sir, this problem happens year-in year-out. What assurances---

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

Mr. Deputy Speaker: Order! I have recognised hon. Peter Odoyo!

Mr. Odoyo: Mr. Deputy Speaker, Sir, thank you for protecting me from my colleague from the Democratic Party (DP). The problem of students not being registered happens year-in year-out. Therefore, could the Assistant Minister inform us what steps the Ministry will take to ensure that, during the year 2001, 2002 and thereafter, we shall not have students facing similar problems?

Mr. Karauri: Mr. Deputy Speaker, Sir, we are here talking about late registrations. Students are supposed to be registered by March. Those who have not paid the examination fees are given another chance. This year, they were given 31st of May. That is why I said that, even those who failed to pay after 31st May, and cases are brought to the Ministry, we will register them.

APPOINTMENT OF NSSF BOARD

Mr. Kaindi: Mr. Deputy Speaker, I beg to ask the Minister for Labour the following Question by Private Notice.

(a) Is the Minister aware that the National Social Security Fund (NSSF) has continued to operate without a board for the last three months contrary to its enabling Act?

(b) When will the Minister appoint and gazette the Board?

The Minister for Labour (Mr. Ngutu): Thank you, Mr. Deputy Speaker, Sir. I beg to reply.

(a) I am not aware.

(b) The Board was appointed and gazetted as per *Gazette Notice* No.667 of 7th January, 2000, which was thereafter revoked and replaced by *Gazette Notice* No.2866 of 8th May, 2000.

Mr. Kaindi: Mr. Deputy Speaker, Sir, it is true that the Minister is not aware because I did ask the Question sometimes in March and strange enough, it is appearing in the House today. Could the Minister tell this House how many Board meetings did take place within the NSSF during that period and who chaired those Board meetings?

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

An hon. Member: Order! Let him answer first!

Mr. Mutahi: Mr. Deputy Speaker, Sir, this is a Question by Private Notice and the Questioner is talking about having asked it in the month of March.

Mr. Deputy Speaker: Hon. Mutahi, the Question is on the Order Paper, the hon. Member who asked it has risen and asked it. The Minister responsible has stood up and answered it, what is your problem?

Mr. Ngutu: Mr. Deputy Speaker, Sir, I do not know the period the hon. Member is talking about. On 7th January, 2000, we appointed the Board and it was revoked for very obvious reasons, which were ineffective. The board was revoked and the members were gazetted on 8th May, 2000.

Dr. Murungaru: Thank you, Mr. Deputy Speaker, Sir. The Minister is evading the Question. He appointed the Board vide a certain Gazette Notice on 7th January, 2000. Thereafter, he revoked the same Gazette Notice, and a period elapsed, between the revocation and the subsequent reappointment. The Questioner asked him how many meetings were held during that period and who chaired those meetings and what business was transacted in the meetings?

Mr. Ngutu: Mr. Deputy Speaker, Sir, I agree that the Board was there. But the reasons were that, there were administrative problems involving one of the Board members and it could not be approved during that time until 8th May, 2000, when I gazetted---

Mr. Deputy Speaker: Order! Mr. Ndicho!

Mr. Ndicho: Mr. Deputy Speaker, Sir, this is a very simple issue. What we are asking the Minister to tell us is whether any business was transacted between January, 2000, when he revoked that Board and May, 2000?

This is because we are suspecting that a lot of things happened during that time.

Mr. Deputy Speaker: Order! Keep your suspicions in Thika!

Mr. Ndicho: Is the Minister aware that during that time, a lot of money might have been syphoned out of NSSF, like the Kshs600 million that was syphoned out to build Yaya Centre in the absence of a Board in the early 1990s?

Mr. Ngutu: Mr. Deputy Speaker, Sir, there is no evidence that, such a thing happened.

Mr. Wamae: Mr. Deputy Speaker, Sir, would the hon. Minister confirm to this House that the Board he appointed in May comprises people of competence and integrity, and will not repeat past mistake?

Mr. Ngutu: Mr. Deputy Speaker, Sir, the Board which was appointed in May is very competent and I can assure the House that, there is nothing to worry about it.

Mr. Kaindi: Mr. Deputy Speaker, Sir, I think it is important for the Minister to take this House seriously. The Board that he appointed in January was under the Chairmanship of one Mr. Kisoso. The Eighth Report of PIC recommended, and the House adopted the recommendation that, Mr. Kisoso be barred from holding a public office.

Mr. Deputy Speaker: Order! Are you asking a question?

Mr. Kaindi: I am asking my question now.

Mr. Deputy Speaker: Do not ask a question whose answer you already know!

Mr. Kaindi: Mr. Deputy Speaker, Sir, why has the Minister seen it fit to still appoint Mr. Kisoso as the Chairman of that Board, against recommendations of the Eighth Report of the PIC?

Mr. Ngutu: Mr. Deputy Speaker, Sir, Mr. Kisoso has not been found guilty of anything. There was no evidence that he had committed any offence. He had not been interviewed by the PIC, there was nothing wrong with him, and that is why we appointed him.

Ms. Karua: Mr. Deputy Speaker, Sir, could the Minister tell this House, if in his view, there was no investigations carried out by the Committee on Mr. Kisoso---

Mr. Deputy Speaker, Sir, in view of the very serious allegation, did he himself institute investigations to clear this gentleman before appointing him to a position of responsibility?

Mr. Ngutu: Mr. Deputy Speaker, Sir, those were just allegations and we had to have concrete evidence---

(Several hon. Members stood up in their places)

Mr. Deputy Speaker: Order! Mr. Minister, let me remind you that you are a Member of this House. That Report of the PIC was a report handed to this House. So, you cannot wriggle out of it. End of Question time!

Next Order!

Hon. Members: He has not answered the Question!

Mr. Deputy Speaker: Order! There is no point asking a question if you know you will not get the answer you desire!

POINT OF ORDER

FEES GUIDELINES

Mr. Anyona: On a point of order, Mr. Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Ministry of Education, with regard to the confusion that has arisen regarding the school guidelines. On Thursday, the Minister laid on the Table of the House what he said were fees guidelines and he assured the House that those guidelines will be adhered to. At the same time, the same Ministry was telling heads of schools that, the fees guidelines had been scrapped. We would like to be told whether it is Parliament that was being taken for a ride or what was happening? Therefore, I would like to seek a Ministerial Statement in the following terms:

THAT, in accordance with the provision of Section 3 and Section 35(B) of the Education Act, Cap.210, could the Minister tell us who is responsible for the development of education in the country.

Secondly, who is responsible for fees charged by public schools; who determines the fees?

Thirdly, when were regulations made on fees as required by Section 35(B) of the Act? Are there regulations or not?

And, could he confirm to the House once more whether the current fees guidelines will stand as stated in the House?

Mr. Deputy Speaker: Does the Minister want to respond now?

The Assistant Minister for Education and Technology (Mr. Karauri): Mr. Deputy Speaker, Sir, let me respond during another time.

Mr. Deputy Speaker: Order! Order!

The Assistant Minister for Education, Science and Technology (Mr. Karauri): It is a very important matter, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Order! It may be important, but it is not possible. Hon. Karauri your rules require us to start the next Order not later than 3.30 p.m. You can make the Ministerial Statement tomorrow, but not today. Next Order!

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

Mr. Deputy Speaker: There will be no point of order; look at the clock!

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 15.6.2000)

(Resumption of Debate interrupted on 28.6.2000)

(Sixth Day of Budget Debate)

Ms. Karua: Thank you, Mr. Deputy Speaker, Sir---

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

Mr. Deputy Speaker: Order! Hon. Magara still has three minutes to go. So I will come to you after him.

Mr. Magara: Thank you, Mr. Deputy Speaker, Sir, for giving me this chance to conclude my remarks which I was making before the House rose for lunch. As much as we found that there was nothing in the Budget Statement which was read here a week ago, there was no justification why there was an increment in VAT. Secondly, the Budget did not address the plight of our farmers. The Kenya Meat Commission (KMC) and Kenya Farmers Association (KFA) were not addressed and even the Agricultural Finance Corporation (AFC) which finances our farmers was not addressed.

Mr. Deputy Speaker, Sir, we are having about five calamities which have been brought by this Government, that is; famine, unemployment, poverty and corruption. I pray that this Government addresses those calamities which it has brought upon the people of this country, so that they do not recur in future.

With those few remarks, I will not support this Budget because it had nothing to offer to our people.

Mr. Deputy Speaker: Order! Order!

Ms. Karua: Thank you, Mr. Deputy Speaker, Sir. I stand in support of the Motion but with reservations. The Budget Speech did refer to issues of security. It is noteworthy that every year, we have been voting huge sums of money for security but unfortunately, the Government has been totally unable to provide security to Kenyans.

Mr. Deputy Speaker, Sir, recently, we have had skirmishes in Isiolo which resulted in loss of lives and in many other parts of the country. It appears as though the Government is not able to utilise the facilities at its disposal, to provide security to Kenyans. The state of robberies in Nairobi and elsewhere in the country and the general level of insecurity shows that the Government has been overwhelmed by the issue of providing security. One wonders why we should continue to vote money for this item, since it is not going to go to the intended purpose. But when one looks around, it is easy to see why. If Members of the Government are not upholding the rule of law and they are perpetuating insecurity, then we cannot have security in this country. We need to uphold the rule of law, to enhance security. That means that anybody who commits a criminal offence should be taken to court, irrespective of their social standing. If those people are Members of the Government, they should not only be taken to court, but they should be relieved of their duties.

Mr. Deputy Speaker, Sir, this House has time and again mentioned persons in high offices as people who are unfit to hold public offices. The successive reports of the Public Accounts Committee (PAC) and Public Investments Committee (PIC) have identified various individuals in high ranking positions and in Government

who have embezzled public funds. As long as we continue to have looters of the economy in Government and in high positions, then we cannot expect to have security. It is a signal that lawlessness can abound because it is being condoned by the Government. It is worrisome that Members of Government who have sworn to defend the Constitution, are turning out to be the very persons who trample on the rights of citizens and even molest them. We would expect that when this occurs, if there are Members of the Government who do not engage or believe in such acts, they would distance themselves from those criminal activities. But what is happening? It is as though the entire Government embraces and condones acts of lawlessness and the trampling of the rights of others, by some among them. The net result of failure to uphold the rule of law is the general insecurity we are having.

Mr. Deputy Speaker, Sir, we are also worried whether the funds voted are going to go for the intended purpose. If there are some Members of the Government who are abusing the facilities they are given to render services to Kenyans, by using the very facilities to trample on the rights of Kenyans and molest children, then this House ought not to vote money which will facilitate the violation of the human rights of its children and citizens by Members of the Government. It is quite clear that we need to do something about the leadership, so that we weed out those who are suffering from "mental impotence." We need to have people with sound minds and who have the moral capacity to lead this nation.

Mr. Deputy Speaker, Sir, on the issue of famine---

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. Hon. Karua is in a better position to know of "an impotent man", but can she substantiate?

Mr. Deputy Speaker: Order! Order! Hon. Mwenje, that is a sick joke. You can use the word "impotent" to refer to many things, including those that cannot perform what seems to be occupying your mind.

(Laughter)

Ms. Karua: Mr. Deputy Speaker, Sir, however, I came prepared and I am willing to substantiate. I am glad that you have come to my rescue. I was not referring to "sexual impotence"; I was referring to and I quote from the dictionary, "to those who are lacking in self-control and to those who are unrestrained". So, I hope my colleague, hon. Mwenje, who seems to---

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. The hon. Karua seems to refer to "biological impotence." Can she, therefore, substantiate? Who is this man who is "impotent" in this House?

Ms. Karua: In case my colleague, hon. Mwenje, was not listening, I referred to those who are in Government and are impotent in mind and therefore, need to be relieved of their duties because they cannot deliver.

Mr. Deputy Speaker: But why is Mr. Mwenje so sensitive about this word "impotent"?

(Laughter)

Ms. Karua: Mr. Deputy Speaker, Sir, if any particular Member has a personal problem, we are not here to discuss that.

Mr. Deputy Speaker: Absolutely!

Ms. Karua: Mr. Deputy Speaker, Sir, to proceed with the debate at hand, I was talking of abuse of Government facilities by those who are impotent in mind, to trample on the rights of others. It is now emerging that when certain personalities commit criminal offences using Government offices and facilities, the very same individuals are then using Government facilities to protect themselves from prosecution. I have in mind the irregular use of the propaganda wing of the intelligence forces in this country. We must be sure when passing budgets in this House that, the very money we are voting is not going to be used in propaganda war to counter criminal allegations against some Members of the Government.

Mr. Deputy Speaker, Sir, the Government must remain above those practices and avoid protecting criminals, be they from within its ranks or the Opposition. We must uphold the rule of law. As Members of this House and citizens of this country, we are getting concerned that our resources are being misused. I am calling upon Members of this House to be vigilant and refuse to facilitate the use of state machinery and resources to perpetuate and cover up crimes. This august House must uphold the highest standard of etiquette and principles in the course of discharging our duties.

On the issue of famine, we are concerned that the committee that has been appointed is not well-balanced. Famine affects members of both genders. We know that there are more women than men on the

kitchen front who look after cooking and other domestic welfare of their families. It is, therefore, important to have the women's perspective in the process of relief food distribution. So, the committee that is charged with famine relief distribution should comprise of equal numbers of both genders.

Currently, that committee has only one woman. We are saying that, that is not enough. The perspective of the woman on issues of famine relief will not be well represented in that committee; we will miss useful perspectives that could help us to know how to overcome this problem. We are saying that we should re-organise and show commitment on this issue. It is not useful for those in Government to give statements here and at international fora to the effect that they understand gender issues and show insensitivity at the demonstration level by creating important committees without women representation at the demonstration level.

Mr. Deputy Speaker, Sir, in the Budget Speech, the Government has, again, given its commitment to rooting out corruption. This commitment will only remain mere lip service until this House passes anti-corruption measures. Along side the anti-corruption measures, we need to pass a legislation that will allow access to information. When investigators investigate people in high places, files go missing, the investigators are denied access to necessary information under and the guise of official secrets. We must have in place an Act of Parliament which will allow us to have access to necessary information.

With those few remarks, I support with reservations.

Mr. Mbela: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

First of all, I would like to say that being a long-serving Member of this House, I have listened to 13 Budgets being presented here. I was, in fact, wondering whether we should have ridiculously long Budget Speeches such as the ones I have listened to in the last 13 years. Do Budget Speeches have to be that long? Secondly, how many of those Budgets are "home-grown?" How many of them are, in fact, written in foreign countries and brought to Kenya for presentation here?

Mr. Deputy Speaker, Sir, I feel that the Budget we are discussing here now missed the theme of the season, which is "poverty alleviation". I know that this particular Budget had a few good themes, but most of them are disastrous. I would like to now look at some of the good themes before I look at those I consider to be disastrous. First of all, there was the issue of duty on maize. I think the Government has become very ridiculous as far as this issue is concerned; it has gone to the extent of charging duty on even single bags of maize taken across the border by individuals for home consumption, especially in areas (VAT) by where the people of Kenya and those in a neighbouring countries interact freely. I have in mind the Taveta border point, through which people cross into Tanzania to attending funerals or weddings of family friends.

When one brings with him some bananas, he is told that no duty is levied on bananas. However, when he brings with him a bag of maize, he is required to pay duty on it. I think duty should be levied on those who traffic foodstuffs for commercial purposes. In any case, the borders with this country ought to be fairly open. In this particular case, duty on maize was suddenly increased by 1075 per cent but, thank God, that duty has been removed. I am also impressed that the tax bracket has been adjusted to exempt some middle-level income earners from taxation. I feel that this is not good enough, because most people within that bracket, still, cannot make ends meet. These are among those people who have contributed this country's two million children who have dropped out of school due to lack of school fees.

Mr. Deputy Speaker, Sir, I would now like to talk about the themes that I consider disastrous. I think it was ridiculous for the Government to increase the Value Added Tax (VAT) by 3 per cent. It is, first of all, impossible to collect tax that has been enhanced to very high levels; such taxation makes life very difficult for the poor. Furthermore, many people will be tempted to find ways of avoiding paying that kind of tax. Many traders will increase the prices of their commodities, but they will not pay tax to the Government. So, in a "man-eat-man" society like ours, I am quite sure that the biggest sufferer is the poor, who have no means of subsistence.

Other disasters are the economic mess being experienced by this country and banks, which behave like shylocks. Rather than carry out business professionally, banks in this country today charge ridiculously high interest rates, to the tune of 52 per cent. Once a hon. Member fails to repay such a loan, he is, promptly, charged with bankruptcy. In such a situation, one may issue a cheque without having verified the cash balances in his bank accounts, only to be faced with a bouncing cheque. It think it is totally wrong to regard someone in such a situation a criminal.

The other issue I would like to talk about is on tourism. I feel that something has gone wrong in this country. Tourism cannot be part of any big package. As has happened, four Ministries have been merged into one. Really, tourism cannot be managed without combining it with wildlife. In any case, I am not surprised that this country's earnings through tourism have dropped from Kshs30 billion to Kshs17 billion, but I realise that the earnings are approaching 21 per cent of what they used to be. Efforts must be made to turn round that trend. Good

performance of the tourism industry improves the general performance of the economy. I believe that if we start by turning the Catering Levy Trustee (CLT) into a professional body and vest in it the responsibility of overseeing tax collection in the tourism sector and transfer the actual tax collection to the Kenya Revenue Authority (KRA), we would end up spending Kshs7.5 million under the KRA against the Kshs125 million we have been spending under the CLT. It would then not be necessary to retrench some workers merely because the CLT has folded up.

Mr. Deputy Speaker, Sir, in a nutshell, what I am trying to say is that Catering Levy Trustee (CLT) must cease its operations, and its responsibilities of tax collection be transferred to KRA. We can use money paid to its staff for promotion of tourism in this country. That way we would be able to raise money which does not come from the taxpayer to be able to promote tourism and help in getting the economy back on the track.

Mr. Deputy Speaker, Sir, I recently travelled by KLM, a partner of the Kenya Airways. I found they advertise that they serve the best coffee in the world from Columbia. This is very shameful, bearing in mind that the flight was leaving Nairobi where the best coffee in the world comes from. The Kenya coffee is the best in the world. I believe that certain Ministries really need to go out of their way to make sure that the airlines that operate from Kenya are able to use Kenyan goods.

Mr. Deputy Speaker, Sir, the other issue that I find terribly disturbing is one of security. We recently had our colleagues being attacked here in the City. There was no doubt at all that, that security hitch was aimed at killing those two hon. Members of Parliament. But what is worrying me more is the fact that many policemen have resorted to extorting money and threatening the lives of various hon. Members of Parliament. We would like a situation where we can move around and we can be protected properly. If the problem is salaries, let us reduce the numbers of policemen, so that the few that will remain are paid properly, and we be out of the danger of being threatened by the same policemen who are supposed to protect us. I am also worried about the extortion that we get from the Provincial Administration. On many occasions that we go to the offices of the DCs, we meet either the DC or the DO. There is always a Harambee card where you are made to realise that unless you oblige, your documents will not be signed. We would like the Office of the President to look into the role of the Provincial Administration in this country. In fact, we do not need them. We inherited it from the colonial government. It should have ended with the colonial government at the time of Independence.

Mr. Deputy Speaker, Sir, the other issue that I feel should be attended to is power rationing. This situation appears to be man-made and I am not sure whether, in fact, a lot of recommendations that are being made are not really tailored to generate more revenue for the companies that are interested in trading in electricity.

When we remit duty for generators for commercial use, who is going to benefit? Why wait and remit the duty before the generators are actually brought in? I think the whole issue must be looked into, and also make sure that whoever is generating power beyond his requirements gets it bought by KPLC, instead of us believing that it is only a foreigner who is recognised as an investor in this country.

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

Mr. Michuki: Mr. Deputy Speaker, Sir, thank you very much for granting me the opportunity to contribute to the Motion. As I sat here waiting for the Minister for Finance to tell us what he had for the country, I had two major expectations. The first expectation, which was the worst scenario, was that the Minister would be contented to finance services of this country from taxes at then existing taxation levels. In other words, I did not expect the Minister to increase tax levels at all. So, that was my worst scenario. The best scenario I expected was that the Minister would reduce taxes in order to stimulate growth and investments into an economy that was heading for the Intensive Care Unit (ICU). Therefore, the economy needed some drips. It should have been given clean water to be purified, so that it could recover and get the health back. Unfortunately, none of these expectations materialised, to my strong disappointment.

Mr. Deputy Speaker, Sir, regarding the mobilisation of resources in this Budget, it is very disappointing that the Minister was not guided by the cries of people of this country through their representatives in this House, as to what is more important to the country than what he imagined. He did not take care of agriculture, and the number of Questions that have come before this House should have guided him to know that Kenyans wanted the agricultural sector to be revived, so that they could be self-dependent. This, he did not satisfy--

The Assistant Minister for Finance and Planning (Mr. Lomada): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to allege this year's Budget was an imagination of the Minister for Finance? Is it in order for him to say so?

Mr. Deputy Speaker: Order! Which order in our Standing Orders has the hon. Member violated?

Mr. Michuki: Mr. Deputy Speaker, Sir, I think the Assistant Minister should go back to Jua Kali to be taught about Standing Orders of this House. In all fairness, I think the hon. Assistant Minister should allow me to continue with my contribution.

The Minister for Public Health (Prof. Onger): On a point of order, Mr. Deputy Speaker, Sir. I once headed a very respectable Ministry of Science and Technology. Is the hon. Member in order to grade Jua Kali to zero-level when, in fact, he is also a member of Jua Kali?

Mr. Michuki: Mr. Deputy Speaker, Sir, the Minister for Public Health is really healthy this afternoon.

I was talking about agriculture. I was actually trying to direct this House to the allocation given to the Ministry of Agriculture. If you compare that with the money set aside for defence---Defence of an imaginary enemy; an enemy that has never materialised. We have not been told in this House--- The Standing Orders allow for anybody to be heard in camera, where every stranger is sent out, so that we can be told what is being regarded as secret - who is our enemy, so that in defence, we allocate Kshs40 billion. Who should we defend and fight? In fact, we should be fighting famine, disease and ignorance, which we started fighting since we got Independence, and we have lost the war. Therefore, I am saying that the allocation of resources has not been done properly. What about tourism that hon. Mbela was talking about? There is nothing in this Budget to encourage tourism.

Mr. Deputy Speaker, Sir, on the contrary, a tax has been imposed on an industry which is ailing and whose hotels in Coast Province and here in this City are being put under receivership. It is tourism that earns this country foreign exchange, which nobody would have to pay; not even our posterity would have to pay, but we are happy to send the Minister for Finance with a cup in the hand to Europe and the United States of America (USA) to borrow money which we could have got through tourism without committing ourselves to payment. Therefore, the priorities are upside down. The priorities are upside down because we have not targeted the productive sectors of the economy, such as agriculture and tourism.

Mr. Deputy Speaker, Sir, in Europe and both South and North America, 70 per cent of employment is accounted for by service industries, such as tourism, banking and insurance. These are services which do not have to produce anything tangible. Here we are, with an opportunity to create employment opportunities through tourism and we practically do nothing. So, the Minister should amend his Budget in order to cater for this very important sector.

The theme of this Budget was "Poverty Reduction" through the so-called "Sustainable Economic Development". The Minister hopes to have the economy growing at 2.65 per cent. We have his predecessor, hon. Masakhalia, who told us sometime back that because the economy he was managing was going to grow at 2.5 to 3 per cent, he would take a fraction of that growth to finance the services which he wanted. At the end of the day, we are being told that the economy did not grow at 2.5 to 3 per cent, but at 1.4 per cent; and even the 1.4 per cent economic growth is suspicious because people have become experts in doctoring figures. So, where is the evidence that the economy grew at 2.65 per cent? What resources has he put into various development projects that will show at the end of the day that our Gross Domestic Product (GDP) has increased by 2.65 per cent? Take it at current prices and whatever figure you want; you can take Kshs10 billion which is very popular; that our GDP is Kshs10 billion. Where are the inputs? Much of the money that the Minister is talking about is going to consumption and not capital formation, and then here we are saying that the economy is going to grow at 2.65 per cent. So, these are some issues that will keep this Government very discredited in both history and in this House.

In fighting poverty, where are the institutions through which resources will trickle to the person who is supposed to perform? Where is the Agricultural Finance Corporation (AFC), the Kenya Farmers Association (KFA), the ICDC and all these institutions that distributed resources, so that at that time the economy grew at between 6 and 8 per cent? It is now that the Government is going round forming women groups, which are institutions through which this economy is going to grow!

Mr. Deputy Speaker, Sir, therefore, I beg to reserve my position.

The Minister for Public Health (Prof. Onger): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to what I think was an excellent Budget. The hon. colleague who has just spoken has not taken the trouble to look deeply into the contents of this Budget. Given the current scenario at which we are; by an act of God and not by an act of man, it is only prudent that the type of Budget that should come out should take into account those considerations. Obviously, at the top of the list, one has to contend with the question of poverty in its entire ramification in trying to formulate a Budget of this nature. Poverty transcends across the social strata, whether from poor homes or families, right through the rich homes because in one way or the other, they must fill the gap of the kind of services that they have enjoyed and are no longer applicable to their level.

Therefore, talking about poverty, the Budget did indicate, and it will become more apparent, that when we come to sectoral issues, and certainly within the MTEF, which is a three-year rolling period, each sector will be in a position to spend a percentage of its Budget to mitigate against poverty. That I know, and we should be in a position to expound further when we come to our Ministerial Votes. Therefore, the Minister did take care of poverty concerns and eradication.

Hon. Michuki has raised a very interesting question, that, where are the institutions through which this kind of approach can filter through and reach the people? Obviously, these institutions that he has elaborated have been catered for in various sectoral issues, and you can only see it when you finally come to that programme.

Mr. Deputy Speaker, Sir, my statement on the Budget is quite clear, that the Poverty Reduction Strategy Programme (PRSP) has been well treated. In fact, it has been the basis upon which foreign capital is being triggered in order to filter into the economy. I think hon. Members have failed to see that point; that, if you have a situation which is so dominant, like poverty today, you cannot formulate any Budget without seriously considering the issue which is topical. The issue which is topical today is poverty. Of course, coupled with poverty, we have famine and drought. Therefore, any resource of any nature must be allowed to filter through a very serious problem that grips this nation in the name of famine and drought.

What hon. Members should ask is: In view of the recent onset of famine and drought, can we re-channel resources to mitigate against the effects of drought, for instance, setting up a viable Kenya Meat Commission (KMC), which will take care of the Arid and Semi Arid Land (ASAL) areas? Therefore, I will be quite amenable to a suggestion from the other side that we must re-divert from within the Budget some of these resources to mitigate against the drought effects, particularly those that touch on the ASAL.

That is a very commendable situation. Secondly, I would like to see an encouragement coming from hon. Members to the agricultural sector, telling them that since we are having short rains at the moment, sending lorries to Kisii and other areas to bring truckloads of green maize for roasting is a luxury. They should be telling the traders to conserve maize so that people can use it during this famine situation.

Having said that, I must come to a point where the Budget has clearly stipulated its framework. The hon. Members made a contention that the Budget should have reduced taxes to stimulate the economic growth. Indeed, that did happen. If you examine the Budget very closely, for example, the raw materials which were in the bands of 15 to 10 per cent taxable level were reduced down to 10 per cent. Those that were 5 per cent were reduced down to 2.5 per cent. What else do you expect the Minister for Finance to do? He has, indeed, been able to reduce taxes. Of course, one can argue that it would have been desirable to zero-rate all these taxes instead of putting them at the lower band. Given the scenario and the kind of taxation measures needed to raise money for both recurrent and development expenditure, he had no option other than to do the best he could. I think we must give him credit for reducing the taxable bands from 15 per cent, to 10 per cent and those from 10 per cent to 2.5 per cent.

Diesel, wind and solar energy were zero-rated. There was not even VAT put on it. One must argue credibly that there was tax reduction. To address the question of the poor families, the taxable bracket on income tax was raised from a mere Kshs7,000 to Kshs9,000. That is a measure of relief to the poor income-earning group; they had tax relief. Therefore, one should not say that the Budget did not introduce these issues.

[Mr. Deputy Speaker left the Chair]

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

On the question of tourism--- It is a pity that my colleague has gone out. One of the biggest catastrophes that have been seen in this country is for people arrogating themselves the responsibilities of being the governors of this nation. They, therefore, went out there campaigning against tourists coming to this nation. I think that was a dangerous business. They did great harm to this nation, and yet they come to this House with a holier than thou attitude, when they were part and parcel of the statements they made which were destructive to this nation and, therefore, scared off the tourists. I am glad to say that tourism now is beginning to gain credibility.

Mr. Kihoro: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Minister in order to attribute the decline in tourism to the utterances of hon. Members inside or outside this House, instead of attributing it to the real cause; which is the question of security that the Government is responsible for?

The Temporary Deputy Speaker (Mr. Poghio): Order! Proceed, Mr. Minister.

The Minister for Public Health (Prof. Ongeru): Mr. Temporary Deputy Speaker, Sir, I like my learned friend. Obviously, that is why money was voted for security in the Budget, yet you are questioning the very basis why the Budget had to address the issue of security and defence. I have heard arguments on this Floor suggesting that those funds were erroneously allocated and should have gone to something else. I am glad to say that tourism is now picking up. It is the expectation of this House and nation that we will hit the 1 million mark tourists, which will be a big boon towards the economy. Therefore, our own actions speak louder than words or rhetoric.

I cannot conclude my remarks without making reference to the infrastructure. I know that there have been specific funds targeted for the infrastructure in order to stimulate the communication sector, and to allow farmers

to deliver their produce amply and clearly to the targeted markets, so that their economic activity can also be enhanced. Therefore, it is my hope that the Minister for Roads, and Public Works will take care of the Kisii-Chemosit Road, the Keroka-Kisii Road and the Keroka-Nyangusu-Kilgoris Road, so that we can get them in good running condition. This will assist the farmers from that area of Kenya who are very hard working. They are producing very tangible food products to feed this nation. I hope that they will be assisted in that area of infrastructure to get the goods to the market places on time. I do not have time to say more on the health sector, but suffice it to say that I am glad that the Minister considered shifting the Budget to preventive and promotive health services.

With those few remarks, I beg to support.

Mr. Omino: Thank you, Mr. Temporary Deputy Speaker, Sir. I am sorry I have got a sore throat, but I hope I will be heard while I make these few remarks about the financial statement which the Minister for Finance read in this House about two weeks ago. This is the sixth day we are debating that statement, and it is rather difficult to find new things to say. If I repeat what others have said, do not call me to order.

If you look at that statement and compare it to those that have been read here before, you will find that they are really similar; they are repetitive. If you read the economic surveys which are normally a fore-runner to the estimates, you will find that they are also pretty similar. They all have a similar ring to them that you would like to believe that they come from the same source. One suspects that, of course, that source is either the IMF or the World Bank. Let us give the Ministry of Finance the benefit of doubt and say that they have a stroke of genius when it comes to writing those papers to present in this House.

There are many issues that the Minister discussed, and one that touches me very closely, and for which I have a lot of feeling, is that of retrenchment. When you stop a career civil servant in his tracks at, say, the age of 40 years or 45 years, you have done incalculable harm not only to that individual officer, but to his or her family as well. When we talk about retrenchment, we must be sure that we have looked at all other possible ways of saving money before we touch the livelihood of Kenyans. You may argue that you must retrench; then target those departments that are non-productive, or whose functions can best be performed by others. Take the Road Licensing Department where you go annually to renew your road licence. That is a purely mechanical function. If the Kenya Revenue Authority has now taken over that function, why do you need it? All you are doing is that you want me to have an annual licence or to contribute some revenue. You can add that on to the fuel levy; get rid of that department and get customs to be issuing us with new licences when we acquire new vehicles and the police when we send our vehicles, for inspection.

Regarding the Provincial Administration, as a nation, are we saying today that we want to get rid of chiefs and assistant chiefs, and tomorrow, we do not want to get rid of them? We cannot take one decision about a department that consumes money, performs no function and brings about no development to our country.

Mr. Temporary Deputy Speaker, Sir, if those sitting across the Floor went into the files of 1960's, they would find that even in those days, there was a proposal to get rid of the Provincial Administration, because even their celebrated function as heads of security committees was in doubt. Where is that training they acquired more than the police? It is better for the Government to spend more money training the police in those functions, than spending on training amateurs who end up functioning as youth wingers of the ruling party.

(Applause)

An hon. Member: Watch out the co-operation between the National Development Democratic Party of Kenya (NDPK) and KANU!

Mr. Omino: Mr. Temporary Deputy Speaker, Sir, but in any event, it is wrong for the Government to retrench on the basis of last come, first out. You cannot start chopping from a Permanent Secretary, on whom you have spent millions of shillings to train him or her, to a messenger - it makes no sense. The Government should have a system which everybody understands and will happily comply with.

Secondly, this Budget is supposed to be a recovery Budget, and you may ask yourself: What, where and whom are we recovering from? We cannot be seriously told that the economy will recover with the same people who have brought us to this sorry past; it makes no sense. I can see my friends across the Table, looking new in this business, but they must also be asking themselves the same question. When they went to school, or when they went to obtain services from the Government in their younger days, it was not the same kind of services they are providing now.

Hon. Members: Yes!

Mr. Omino: Mr. Temporary Deputy Speaker, Sir, I am sure my friend, the Minister for Medical

Services, Dr. Amukowa Anangwe, knows that he used to receive much better medical attention in his younger days, and I would like him to go and ask his staff: "Ladies and gentlemen, what has happened?"

Everybody acknowledges the fact that ours is an agricultural nation, and if we are to recover at all, then, we must start with agriculture. But agriculture also means and includes livestock, but even on the simplest of functions, these people cannot artificially inseminate our cows now.

(Laughter)

An hon. Member: They even have artificial insemination!

Mr. Deputy Speaker: Yes! How will we recover our agriculture, when they cannot perform even the simplest of functions?

An hon. Member: We will kill all the bulls!

Mr. Omino: Mr. Temporary Deputy Speaker, Sir, they cannot afford; the bulls are all dead.

The Poverty Eradication Strategy Paper must start by doing one simple thing: Removing hunger from among our people. The strategy of poverty alleviation is too big a problem, and you cannot solve it. In any event, just put a little food in our children's stomach every day, and a little money in the pockets of our brothers and sisters .

Mr. Temporary Deputy Speaker, Sir, we have hunger, drought, famine, and name it, in the country, and I heard Prof. Ongeru talking about them very emotionally, but you know that we knew about hunger, not this month when the Minister for Finance read his Budget, but long before. But what does the Budget mention about it? The pastoralists have no water, and they need grass and water, but instead of bringing dam construction equipment into the country, the Budget has allocated more money for tanks. Instead of bringing in duty-free drilling equipment so that the pastoralists can get water, more money has been allocated to the so-called the NSIS so that they can eavesdrop when hon. Shakombo is having a quiet word with somebody down at the Coast. Why can we not say: "Fine, we also want Kenyans to provide for themselves water - if they can - by bringing in drilling rigs and dam construction equipment duty-free so that they can provide for themselves?" It is not too late for the Minister to re-adjust his Budget and get the Ministry of Environment and Natural Resources to go out there and dig those dams, wells and boreholes so that the pastoralists can have water.

There is a hymn we sing in the Church, which is called "Abide with me, and there is a stanza in it, which among other things says: "Change and decay in all around I see." That is, "as I walk around, it is only change and decay that I see." Now, we want change, and no decay, as we enter this millennium.

With those few remarks, I beg to support the Motion.

Mr. Odongo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the wonderful Budget Speech by the Minister for Finance.

The Minister for Finance came up with a beautiful Budget Speech, and I am sure that he had good intentions, but he has a fairly big obstacle ahead of him, because to achieve whatever he has promised in the Financial Statement, we need to overturn this vehicle in which we are travelling.

I would like to look at the energy sector, and the country right now is in darkness, nearly 12 hours every day. Why is it so? The Budget Speech should have identified areas where we went wrong, and that was in the area of planning. Why did the Ministry of Finance and Planning go to bed, make us to shout around in order to make it wake up and start talking about what it should do and what it should not? The situation of darkness has created many cases of insecurity, and each one of us here in this House thinks of how he or she will get to his or her house very early before it gets dark.

Mr. Kajwang': On a point of information, Mr. Temporary Deputy Speaker, Sir.

Mr. Odongo: Mr. Temporary Deputy Speaker, Sir, I do not need it. Thank you, Mr. Kajwang'.

Mr. Kajwang': You do not need it!

Mr. Odongo: Mr. Temporary Deputy Speaker, Sir, if we want to reduce poverty in this country, we have to address these issues - energy, health and water. As the previous Member did say, there is a lot of water going into the lakes and ocean in this country during the times of rain. Why have we not planned to harvest this water and store it in dams? If we have these dams all over this country, we will have to plan to service them so that we do not have much siltation in them. This is the case with Kiambere and Masinga Dams and everywhere else. Even if we had a lot of rains today and we have as much siltation as we have in those dams, we will not harvest enough water. I am appealing to the Minister for Energy to make sure that our dams that generate electricity in this country are kept up to date.

Mr. Temporary Deputy Speaker, Sir, in order to reduce poverty in this country, we must have definite

employment policies. Today, the Kenya Railways Corporation (KRC) has reduced the size of its staff to about a quarter of its size five years ago. The Port of Mombasa and the tourism sector have also done the same. How do we reduce poverty in this country, yet, the biggest employers in this country are reducing the size of their staff? Twenty or 30 years ago, those of us who were around witnessed the efficient running of KRC. It is a shame that today we have the current kind of management of KRC. Have we run down the KRC?. I would have liked the Minister for Energy to come up and suggest how best we can revive transportation in general, and in particular the railway transportation.

Today, if you went to the streets you would find *mitumba* shoes, underwear, shirts and other items being sold. We have a reasonable number of Kenyans employed in this sector. They sell second-hand clothing, shoes and other items. I note with regret that we want to get rid of these people from the streets. If you attempt today to get rid of *mitumba* from our streets, you will be calling for violence. If you look at Kenyans walking in the streets, you might not know how many of them are wearing *mitumba* shoes, shirts or suits. So, for the time being, this business is the only employer. It is also the only way in which you can keep Kenyans well dressed. I will insist that *Mitumba* items should be available to Kenyans. This is because they can afford the *mitumbas*. With Kshs1,000, one can buy a suit, pair of shoes and a shirt. You may be surprised as to how many of us put on these types of shirts and shoes. I am appealing to whomever is concerned to allow this *mitumba* trade to continue.

Mr. Temporary Deputy Speaker, Sir, today, we are talking about drought and our animals dying in the pastoral areas. But if we had not run down and closed down the Kenya Meat Commission (KMC), today, we would be speaking a different language. We talk of reviving KMC. As we know, KMC cannot operate without that machinery in its buildings in Athi River. The machinery has been looted and the holding ground, which is a very important aspect of that factory, has been grabbed. It is no longer there. Unless the Government takes bold steps and directs whoever has acquired that holding ground in Athi River to vacate it, then we shall not revive KMC. Otherwise, there is no way we will revive KMC, in Athi River without getting back land on which we used to hold animals.

We have talked about energy, but information available to us, and particularly with regard to the latest project that was undertaken by the Kenyan Government in this country, the Turkwell Gorge Project, is that a survey carried out by the World Bank estimated the project to have cost this country US\$103 million. However, this is not the amount of money we used.

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister for Energy (Mr. Sasura): Thank you, Mr. Temporary Deputy Speaker, Sir. Any Budget which is worth its proposals should be reflective of the impact that it has on the basic needs of the people. In early days, the Budget day was regarded as any other ceremonial day in the sense that, I remember, even school children used to be given a break to go and listen to the Budget Speech.

Despite the fact that the terms used by the Minister for Finance are a bit technical, Kenyans were looking for basic terminologies referring to their basic needs. These include the price increases of, for example, salt and sugar, or even the slightest increment in the salaries of public servants. That is how important Budget proposals and statements are.

Mr. Temporary Deputy Speaker, Sir, this year's Budget, definitely, has aspects of a balanced Budget, and as I go on with my contribution, I will show that, definitely, there is need to improve on it.

Mr. Temporary Deputy Speaker, Sir, one very important aspect of the Budget that I want to address is that we have realised that there is a bit of decentralisation of the fiscal policy of the Government by giving the local authorities more autonomy and more power in terms of empowering them financially. I remember, in the 1998/99 Finance Bill, the interaction of the Local Authorities Transfer Fund (LATF) has impacted very positively on our local authorities, and the 2 per cent which was given to the local authorities was a lot of money for them. This year, we realise that this has been increased to about 5 per cent of the total income tax. That means our local authorities will get more money. If you want to see the standard of living of our people changing, it is important to focus on the local authorities. These are institutions which are very close to our people. However, what I realised is that most of the money which was given to the local authorities in the last financial year ended up paying the arrears of allowances for councillors. However, in his Budget proposals and statement, the Minister has clearly said that only 0.5 per cent will be used for such things. So, we should closely monitor our local authorities to ensure that they do not misappropriate the funds which have been set aside for them.

Mr. Temporary Deputy Speaker, Sir, in this year's Budget, there have been a lot of comments about money set aside for security. I think there is need to increase the amount of money given to our security department. However, this money should be seen to do something. It is very ironical to find that in a place like Isiolo or, maybe, Wajir, for that matter, where we have more than six army barracks around, not talking about the police stations and the administrative units around there, there is fighting all over. The latest was in Wajir.

However, how can we justify the fact that police have not gone to visit scenes of attacks because of lack of vehicles and shortage of fuel? This money should be seen to do something. While I am not against the allocation of such a lump sum amount of money to the Defence Department, I would urge that we see a bit of efficiency in our security operations.

Mr. Temporary Deputy Speaker, Sir, the issue I want to address very much concerns these strategies of poverty eradication. One, I think someone has gone wrong somewhere to say that we are going to eradicate poverty. I think the term "poverty" is a bit relative and I do not foresee any given time when poverty can ever be eradicated. However, we can aim at reducing it, and the only way we can achieve the reduction of poverty levels is to strategise carefully. It will not help us much by giving short-term assistance to our people. That is not eradicating poverty. We should address the long-term aspect of it. Look at the northern part of this country; the surface waters in Northern Kenya are all going to waste. They are all draining into the Indian Ocean at some point. In 1987, there was a Motion which was passed in Parliament, and I do not know why nothing has been done about it. It was a Motion of damming all seasonal streams. If we could dam all the seasonal streams today, we would have a lot of water which could be used by our people today. Conflicts in the ASAL areas are as a result of shortage of resources. It is not that these people hate each other. So, when we are talking about poverty eradication strategies, we should plan properly for long-term programmes.

Mr. Deputy Speaker, Sir, AIDS is a big agent of poverty. This is a disease which has devastated our population, and it is eating deeper into our society. We should have less of our organisations that deal with AIDS programmes. We should have less paperwork and workshops. This programme should be seen to be doing something and because most of the money which we are depending on in the AIDS campaign is donor-funded, the donors should be able to chip in, in the relevant areas. Sometimes I tend to disagree. For example, the former American Embassy site has now been changed to a garden of peace. This gives me a picture of a monument which is going to remind us of the August 7th Bomb Blast. Much as I respect that, I would rather they had used this Kshs25 million to help the bomb blast survivors. Some of these people have lost their eyes and they will not be able to even see this garden. It does not help us to put up a beautiful garden there when somebody who has lost two eyes after getting only Kshs30,000 is languishing in poverty in the streets of Nairobi. These external donors should think twice and invest in the relevant areas. We want to remember such things, but we want to do so in the best possible way.

One of the tragedies in Africa was the slave trade. However, if we go to Zanzibar today, or Sierra Leone, for that matter, the markets where Africans, our brothers, used to be chained, weighed and measured for fitness before they were shipped to Europe are now used as vegetable stalls. Life must continue. Much as we want to remember such tragedies, we want to help our people who are surviving now.

Mr. Temporary Deputy Speaker, Sir, I would not end my contribution without mentioning the infrastructure. The *El Nino* project is a disgrace. The *El Nino* project has taken a lot of money in this country. This, I think, has been forgotten. This money has been given to people on the ground who are doing what they want. I do not know if anybody could one day check and report to Kenyans what that money has done in any part of this country. However, given the condition of the road that I have seen between Isiolo, all the way to Marsabit and Moyale, I think the contractors who were awarded tenders to do these roads have made deals with the powers that be.

Mr. Temporary Deputy Speaker, Sir, lastly, on poverty eradication, if anybody wants to help the livestock owners of this country, there should have been a provision in the estimates in the Budget. Nothing has been mentioned about the revival of Kenya Meat Commission. This needs only Kshs500 million. No single cent has been set aside. Our armed forces are feeding on canned beef. This beef comes from somewhere. Whether it is from within or without Kenya, these gentlemen must eat that meat. Currently, the meat comes from Botswana. It is being imported from Botswana when our animals are dying in Mt. Kenya Forest and in the deserts of Wajir, Marsabit, Moyale and Isiolo. This is not poverty eradication. If anything, this is increasing the levels of poverty of our people. If anybody wants to reduce poverty in our region, he should revive the Kenya Meat Commission, and then we will really be contented.

Thank you.

The Minister for Mineral Exploration (Mr. Kalweo): Thank you, Mr. Temporary Deputy Speaker, Sir. I also want to add my voice to this year's Budget. The Minister was eloquent and the Budget was simple, short and understandable. We are experiencing various types of human problems. Some of the problems have been caused by the human beings themselves, and some are natural. For the first time, Kenyans are experiencing economic problems. We have problems everywhere. Other countries have experienced economic recessions. All the European countries, the United States of America and other countries, including African states, have experienced some problems. I call this some sort of awakening! We work for 12 hours per day but, naturally,

when the sun sets and we go indoors, you will find some people walking, dancing and doing other extra-ordinary activities at night.

If we focus at the time of our Independence, the population was about 8 million people. Today, we have nearly 30 million people. The population growth at that time was rather awkward. Somebody could give birth to five children, four would die and one would survive. But soon after Independence, the Government put in place a very strong case to fight diseases. Our children were vaccinated and treated free of charge. Then, came in free education. So, when somebody gave birth to five children, they all grew up, went to school, qualified and got employment. We are where we are today because of education. We have a lot of people because of good medical care.

If you focus back, you will find that, shortly after Independence, if you told any African to go into business, it was a taboo. Even if you fought them, they could not agree with you. If you told them to go back to the rural areas to farm, they could not agree with you. The late President Kenyatta said: "Go back to the rural areas." That was a very unpopular statement by the Head of State at that time. So, the people refused to know anything about the soil. The population grew but our agricultural production went down. We did not take advantage of beginning from what we know to what we did not know. So, the question of agriculture was not addressed at that time. The highly educated population of our people became consultants, doctors and so on. But they did not address the question.

The State has spent much revenue to educate the youth so that they could use their wisdom to improve the economy. We cannot move without them. We cannot develop without them participating. They should not participate only through employment. Today, in our African culture, a child must help the parent. We were looking after cows, fetched water and dug in the farms. Today, those of us who come from the tea, coffee and cotton- growing areas know there is talk of child labour. To an African, that is not very important. But, today, our development partners and donors are accusing us of violating child labour laws. Why do they not accuse us when we beat them?

The question of our population must be seriously addressed. This will enable the country to address the problem of economic recession. This is an area that we need to discuss more reasonably. We should get expertise to boost our economy and help the nation to come up with solutions. We were not educated by the nation to criticise the Government, and yet, we are part of it. For example, who is responsible for the famine that we have today? Somebody may stand up and say that it is the Government! But he or she is forgetting that the family unit structure, that is the husband and wife, have the sole responsibility of their wellbeing. The Government can come in when they fail. Today, if you go to Kikuyuland, Meruland and anywhere else, the people do not have granaries like they used to do. In Kitale, the people grow a lot of maize, but they sell all of it. Why do they not keep some and they know very well that, after they sell the maize, they will resort to buying maize flour? So, if we want to apportion blame, we should start from the family unit. It is the sole responsibility of parents to plan for the feeding of their families. If anything extraordinary makes things impossible for them, the Government may come in.

The leaders should go back to the rural areas and educate our communities on how we used to preserve our own food, and did many other activities according to our cultural beliefs. By doing so, we will not go wrong. I believe that if I take a jembe and go to a shamba now, it does not mean that I have lost my ministerial position! I will not have lost anything. In fact, it will be called exercising. Let us look at things that way, so that we can help our society.

Mr. Kihoro: On a point of information, Mr. Temporary Deputy Speaker, Sir. I would want to inform the Minister that, what he said before is true. The population of this country has grown in a big way. In 1948, we had only 4.8 million people. In the year 2000, the figures indicate that we have got a population of 28.5 million people. There have been no land reforms. Even if the Minister would want us to go and educate our people on how to preserve food, most of the people in this country do not have any land to produce food.

The Minister for Mineral Exploration (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, that was not only an argument, but also a contribution. Why I am saying this is: Who is incharge of yourself? Ask that question first, so that we can get out of this place! We should not abdicate our own personal responsibility. That is where things go wrong. That is where you find that, when somebody is given a road to construct, he becomes jealous and forgets what he is supposed to do. Sometime before, a manager of a bank could not discuss anything with an outsider. Today, they discuss bank matters with the robbers! Our integrity should be focused to save our lives.

With those few remarks, I beg to support.

Mr. Mbitiru: Thank you, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Chege Mbitiru, I think you have spoken on this

Motion before.

Mr. Mbitiru: No, Mr. Temporary Deputy Speaker, Sir, I have not spoken on the Financial Statement. I only spoke on the Budget Speech. But I have not spoken on the second part of it.

An hon. Member: That is the Budget!

The Temporary Deputy Speaker: (Mr. Poghisio): No, no! Mr. Mbitiru you are out of order!

Mr. Mbitiru: But we do not have anybody who is who is interested in speaking!

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Mbitiru, you know the rules, so you had better take your seat.

Mr. Mbitiru: If there is nobody and I have the points, I should be allowed to contribute!

The Temporary Deputy Speaker (Mr. Poghisio): Order! If every time we had nobody to contribute we went back to people, we would be breaking our own rules, Mr. Mbitiru.

There being no other contributors, I will then call upon the Minister to reply.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I am only concerned about the number of hon. Members in the House. It does not seem appropriate that I should reply to an empty House!

The Temporary Deputy Speaker (Mr. Poghisio): Proceed, Mr. Assistant Minister!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you very, Mr. Deputy Speaker, Sir.

Let me start by thanking all hon. Members who have contributed to the debate on the Budget.

The wide range in contributions has demonstrated the Members' genuine and deep concern over the state of our economy, and a similar concern for the welfare of our people. In this, I would say that the Members have shown that they have the same concern as we have in the Government.

May I reaffirm that the Budget Speech was a comprehensive presentation, and all the proposals put together support the theme of poverty reduction through sustained economic growth. One cannot, therefore, single out one particular aspect, as some Members attempted to do, and say that the Budget did not support job creation, poverty reduction or increased incomes.

Mr. Temporary Deputy Speaker, Sir, I shall now respond to some of the specific issues raised by the Members during the debate. I am certain that some of the issues that I may not respond to will be dealt with as we debate the Finance Bill. At the outset, I should assure hon. Members that the current year's Budget is a home-grown document, originated and eventually refined by Kenyans. Of course, in the process of the build-up to the Budget itself, there were wide consultations between Kenyans and other parties. But let us not confuse the discussion on the Poverty Reduction Strategy Paper at the School of Monetary Studies with the Budget-making consultations. Although certain aspects of the Poverty Reduction Strategy Paper found their way into the Budget proper, this cannot, by any stretch of imagination, be considered as a major budgetary consultation process. But even then, many Kenyans were represented in that forum, including Members of this House.

Mr. Temporary Deputy Speaker, Sir, hon. Members have expressed concern regarding the increase in the rate of VAT, which, it is believed, will impact negatively on the poorer sections of our population. While raising the level of VAT by 3 per cent, from 15 per cent to 18 per cent, we were careful to ensure that the interests of ordinary Kenyans were considered and not jeopardised. May I remind hon. Members that VAT is not applicable to unprocessed foodstuffs and other agricultural commodities consumed by the majority of our population. In any case, any negative effect resulting in the increase of VAT has been largely mitigated by the income tax relief given in the Budget.

Further, VAT, unlike other taxes, is a broad-based indirect tax and does not directly impinge negatively on investments. Investment has a direct relationship to job creation, and, of course, poverty reduction. Other considerations for the raising of VAT, as explained, besides our revenue needs, include the compatibility of this tax with similar taxes within the region. I would also like to assure hon. Members that, greater compliance measures are being taken by the KRA to ensure that this tax does, in fact, get paid by the intended taxpayers.

Mr. Temporary Deputy Speaker, Sir, Members also deliberated extensively on the impact, effects or non-effects, of this Budget on the agricultural sector. Admittedly, it was indicated in the Budget Speech, that between 1998 and 1999, the growth in the agricultural sector declined from 1.5 per cent to 1.2 per cent. This, as was explained, was attributable mainly to poor commodity pricing, inadequate rainfall in major food growing areas, and increases in prices of inputs. These factors have militated against the agricultural producers to force a down-turn in the sector. The Government is undertaking a number of positive measures in this sector, as indicated in the Budget Speech, particularly, through the revival of cash crop marketing systems, especially on tea, coffee and sugar-cane, through the removal of various impediments and other institutional constraints. As hon. Members

already know, fertilizers, of course, come in duty-free. Other chemicals identifiable as being used in agricultural production, upon recommendation by the Director of Agriculture, have been made duty-free and will be made duty-free. This is intended to reduce the cost of inputs borne by the farmers. Other useful inputs in this sector provided for in the Budget include increased funding for the digging and rehabilitation of boreholes in rural areas.

Mr. Temporary Deputy Speaker, Sir, the Government has put the management of this key area within Government in the hands of very capable managers. As we have already seen, results have begun to ensue. We are confident that those results would be even more evident in the course of the current and subsequent years.

Another issue raised by many Members, Mr. Temporary Deputy Speaker, Sir, is that of retrenchment in the Civil Service. As hon. Members are aware, the retrenchment exercise is not new. In fact, it has been on-going for a while, and it is a major consequence of the Ministerial Rationalization exercise that has been considered necessary. As we all know, the public service has been over-established, thus breeding inefficiency and low productivity. Retrenchment will enable the Government to cut back on Recurrent Expenditure and provide savings which will be used to improve the remuneration of officers who will be retained, and also be channelled to maintenance and investment.

Mr. Temporary Deputy Speaker, Sir, I would like to take this opportunity to allay any fear that the exercise will facilitate the exit of productive civil servants and leave those less productive behind. Good performers will be ring-fenced and there are mechanisms and yardsticks in place, to ensure that the retrenchment exercise will be fairly implemented, and that it would not result in the exodus of good people as happened in Phase I. However, we must emphasize that people are not being thrown out on the streets empty-handed. As most of us are aware, there is a generous golden handshake for all retirees and they will also receive due benefits. We hope that in time, they will be able to venture into gainful employment and generate employment opportunities for other Kenyans.

Mr. Temporary Deputy Speaker, Sir, the state of our infrastructure has also been another area of concern. Positive steps have been taken to address problems in this area as outlined in the Budget Speech. Hon. Members do realise that in the past, tenders on infrastructure, particularly on roads, were afflicted by corruption and poor quality workmanship. Those malpractices are being rooted out and the relevant Ministry will enforce measures that will limit the number of projects undertaken by any one contractor at any given time. Further, as hon. Members are aware, the Roads Board will be operational from the beginning of July this year, and will take on board, all the co-ordination and management of the entire road network. Other measures being undertaken, include those in infrastructure-related organisations, such as the Kenya Ports Authority, Kenya Railways and Telkom Kenya Ltd., which are being restructured and liberalised, so that their capacities may be enhanced for better service delivery.

Mr. Temporary Deputy Speaker, Sir, this year's Budget did not ignore the Jua Kali sector either. We recognise the role played by this important sector in poverty alleviation and eradication of unemployment. Measures are being put in place that will assist in operationalising policies for the improvement of the sector. As stated in the Budget Speech, the Central Bank of Kenya is already assisting micro-finance institutions to streamline their legal and regulatory framework and accounting standards, so that this sector may be better served.

Mr. Temporary Deputy Speaker, Sir, hon. Members have decried the high dropout rates in our educational system due to poverty. While acknowledging that this is a reality, the Government is aware of the daunting task involved in manpower training for this country. Nevertheless, the Government's commitment to offer universal primary education is still on course. This year, a number of measures are addressed by this Budget to bring down the dropout rates. The School Feeding Programme will be strengthened; the purchase of vital school supplies will be funded and, as indicated, the bursary system is being strengthened.

Mr. Temporary Deputy Speaker, Sir, Expenditure Estimates have already been tabled in this House and they outline how the revenue to be generated by the Government is going to be spent. As pointed out in the Budget Speech this year, the Budget has been prepared under the Medium Term Expenditure Framework (MTEF) approach. Under this new approach, major projects and expenditure items have been put under sectoral priority, and consistency will be maintained over a longer period.

Mr. Temporary Deputy Speaker, Sir, during the debate, hon. Members again expressed their concern over the high interest rates charged by the banks. In this, Members have echoed the Government's concerns, which have been expressed at various fora, including this House. Following our determination to control Government expenditure, Treasury Bill rates have come down to the region of about 10 per cent for some time now. As indicated in the Budget Speech, the measures contemplated in the Budget would result in the decline of those rates even further.

(Loud consultations)

The Temporary Deputy Speaker (Mr. Poghisio): Order! Order, hon. Members! Let us hear out the Assistant Minister.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you very much, Mr. Temporary Deputy Speaker, Sir. Therefore, there is no reason for the commercial banks' rates to remain high. In fact, the commercial banks' rates should closely approximate the Treasury Bill rates, unless there are other reasons to do with inefficiency within that sector.

Mr. Temporary Deputy Speaker, Sir, it is clear that sustained economic growth is not possible with high interest rates, or a high interest rates regime. If this persists, one of our intentions may not be realised. I would, therefore, like to appeal, once again, to the banking sector to make an appropriate response to this matter in order to avoid a situation of introducing controls as has been proposed by some hon. Members of this House. The measures spelt out in this year's Budget constitute a bold step towards economic recovery and poverty alleviation, as well as the eradication of unemployment. The Government recognises the fact that, in order for us to achieve this, every Kenyan must play a positive role, and I would like to commend this proposal to all hon. Members.

Mr. Temporary Deputy Speaker, Sir, I beg to move.

(Applause)

(Question put and agreed to)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Hon. Members, there being no other business before the House, the House stands adjourned until tomorrow, Thursday, 29th June, 2000, at 2.30 p.m.

The House rose at 5.25 p.m.