

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 18th June, 1998.

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.113

RE-SETTLEMENT OF MAELA CLASH VICTIMS

Mr. Gatabaki asked the Minister of State, Office of the President when the ethnic clash victims of Maela would be resettled and compensated for the loss of lives of their relatives and the destruction of their property.

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, I beg to reply. I am not aware of any victims of ethnic clashes in Maela. Therefore, the issue of compensation does not arise.

Mr. Gatabaki: Mr. Speaker, Sir, I do not know whether to ask a supplementary question or not. The Assistant Minister says that he is not aware of a crisis which almost crippled this nation. Could the Assistant Minister say before this House that there were no tribal clashes that ever took place in Maela?

Mr. Sunkuli: Mr. Speaker, Sir, it would be of help to this House, and the hon. Member, not to regard everything as a crisis. The issue the hon. Member is referring to is an issue that arose sometime ago when the Narok County Council asked the people of Enoosupukia to move away from catchment areas of Enoosupukia. These people moved to Maela and camped there. Since then, these people have been settled by the Government in Ndabibi Farm. These people are now fully settled. There were no clashes in Maela.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to deliberately lie to this House?

Mr. Speaker: Order! Order! Mr. Gatabaki, will you withdraw the use of the word "lie"?

Mr. Gatabaki: Mr. Speaker, Sir, is it in order for the hon. Assistant Minister to, deliberately, mislead this House? I can substantiate by tabling documents which show that they are in Kiambu and the time they were taken there. Is it in order for the Assistant Minister to mislead the House that these people were settled on a certain farm when, in fact, they were not?

Mr. Sunkuli: Mr. Speaker, Sir, I think the hon. Member needs to acquaint himself with the geography of the area. I think he is confusing places. He is, certainly, not talking about Maela.

Mr. Kathangu: Bw. Spika, zaidi ya watu 18 walitokea Uganda kutoka Maela kwa sababu ya ghasia za kikabila zilizokuwoko. Watu hao walipewa hifadhi katika nchi hiyo kama wakimbizi. Watu hao sasa wamerudi humu nchini walipoahidiwa makao. Ninataka Waziri Msaidizi aeleze kama ana habari juu ya mambo ya watu hao. Ikiwa ana habari kuwahusu je, wameshapewa makao au la?

Mr. Sunkuli: Mr. Speaker, Sir, I cannot be aware of non-existent facts. I think the hon. Kathangu is even in a worse position than hon. Gatabaki because he seems not to know where Maela is!

Mr. Kathangu: Bwana Spika, wakimbizi kutoka Maela wanajulikana na Serikali ya nchi hii. Hii ni kwa sababu, Serikali za Kenya na Uganda zimekuwa zikiwasiliana juu ya wakimbizi hao. Ningetaka Waziri Msaidizi aeleze iwapo ana habari juu ya wakimbizi hao na, kama wamepewa makao tangu warudi.

An hon. Member: Yeye hajui!

Mr. Sunkuli: Mr. Speaker, Sir, since the hon. Member for Runyenjes is making categorical statements, could he substantiate that those facts, actually, exist so that I can respond to them?

Dr. Kituyi: Jambo la nidhamu Bw. Spika. Je, Waziri Msaidizi ana haki ya kumuuliza Mbunge swali? Kazi ya Waziri Msaidizi ni kujibu maswali! Pengine, kwa sababu hana uhakika juu ya anayoulizwa, au, pengine,

hataki kusema ukweli, Waziri Msaidizi anajaribu tu kuwatusi Wabunge wanapouliza maswali. Kama hajui jawabu, yafaa atafute jawabu linalofaa badala ya kuwatusi Wabunge kwa kusema hawajui Maela iko wapi.

(Applause)

Mr. Sunkuli: Mr. Speaker, Sir, I am sure, hon. Kituyi knows the meaning of the Swahili word "kutusi".

Question No. 159

ACQUISITION OF UNSECURED
LOANS BY BANK DIRECTORS

Prof. Anyang'-Nyong'o, on behalf of **Mr. Orengo**, asked the Minister for Finance:-

- (a) under what circumstances the directors of the Kenya Commercial Bank managed to obtain and maintain substantial unsecured loans and overdrafts without the detection of the Central Bank; and,
(b) if he could assure the House that there are no such unsecured loans and overdraft facilities given to directors in banks and other financial institutions where there is considerable public investment or interest.

The Assistant Minister for Finance (Mr. Arap-Kirui): Mr. Speaker, Sir, I beg to reply.

Directors of banking institutions, like other Kenyans, are allowed to borrow money for their own economic activities. However, the Banking Act requires that all loans to directors and employees of banks must be fully secured. Some directors of the Kenya Commercial Bank Ltd were granted loans before they were appointed directors. These facilities were granted to them in the course of normal business on various dates at various KCB branches between 1991 and 1995. All loans were initially fully secured. However, some of these loans fell into arrears, contrary to the terms and conditions stipulated in the respective letters of offer. Over time, the outstanding balances of some of the loans exceeded the value of the securities held mainly, due to the application of interest and penalty charges. The Central Bank of Kenya detected some of the irregularities on the loans granted to some of the directors and communicated this to the bank's management.

The Central Bank of Kenya recommended that those directors with non-performing or under-secured loans be asked to, immediately, provide adequate securities or liquidate their loans. The KCB management initiated the necessary regularisation process. However, some of the directors did not move fast enough and this resulted in their removal and the eventual change of the bank's top management.

Mr. Speaker, Sir, on the second part of the Question, as far as I am aware, there are no unsecured loans and overdraft facilities given to directors in banks and other financial institutions where there is considerable public investment or interest.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, following the generally diplomatic answer which the Assistant Minister has attempted to give, you will agree with me that the Kenya Commercial Bank is the biggest asset holder in the banking world in the interest of the Kenyan people. The Kenya Commercial Bank recently elicited substantial public investment through the sale of shares. Therefore, the public is very interested in the health of the bank. The Assistant Minister has said that some directors of the Kenya Commercial Bank Limited were granted loans before they were appointed as directors. Can he specify who these people are, how much loans they were given and to what extent the loans were secured? As of now, to what extent is the Kenya Commercial Bank safe enough from losing substantial sums of money from loans which cannot be repaid?

Mr. Arap-Kirui: Mr. Speaker, Sir, as the hon. Member, and all other hon. Members know, information regarding personal or business bank accounts is confidential and it would be in breach of banking regulations and normal procedures for me to disclose the details of any loans held by any specific individuals. Be that as it may, I would like to assure the House that granting unsecured loans is not an unusual situation. In fact, it is a very common practice in the banking world. We do have in this country laws that arose out of very specific situations in the mid-1980s where certain bank directors misused their positions. Otherwise, under normal circumstances---

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir. I did want to interrupt the Assistant Minister but is he really in order to mislead the House that a public official, employed by the bank, and who is expected to declare his assets in terms of loans given to him by the bank is also protected by the Banking Act? Is he in order to allege that such a person should not let the public know that he has vested interest in the same bank in which he is being appointed director?

Mr. Arap-Kirui: Mr. Speaker, Sir, rather than use generalities in his arguments, the hon. Member should be more specific and I will give him a specific answer.

Mr. Maore: Mr. Speaker, Sir, notwithstanding the provisions and intentions of the Banking Act, which the Assistant Minister is quoting, could he re-assure this House that by 1st July, as stated in the Central Bank of Kenya Circular, several key banks, -which I do not want to mention because of the fear that those banks will lose their customers, - whose directors are politically correct individuals and who have substantial amounts of unsecured loans, will have those loans regularised to safeguard the banking industry and avoid a crisis?

Mr. Arap-Kirui: Mr. Speaker, Sir, the Circular which the hon. Member is referring to is very specific and I quote the last paragraph which says:

"Any Board member or Chief Executive who fails to fulfil the conditions of these provisions, that is, regularise their loans by the 1st July, 1998 will be required to resign their position, pursuant to the provisions of Section 34(2) (b) of the Banking Act".

This is very specific and I am sure that the law will take its natural course.

Mr. Wamae: Mr. Speaker, Sir, in view of the importance of the KCB to the banking industry in Kenya, would the hon. Assistant Minister assure this House that the KCB is still viable, strong and that people need to have no fear about its stability?

Mr. Arap-Kirui: Mr. Speaker, Sir, I have absolutely no hesitation in re-affirming and assuring everybody in this country and elsewhere in the world that the KCB is one of the most sound banks in the whole world. In fact, there is evidence to this fact. Foreigners were willing to purchase all the shares that were recently floated by the KCB if we had allowed them to do so. I think the House needs no more assurance than that.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, even if I allowed the Assistant Minister not to reveal the names of the individuals concerned we know them anyway. Could he tell us, in terms of shillings and cents, how much money these directors still owe the KCB and hence, how much money the KCB is likely to write-off as bad debts since these people are not likely to pay?

Mr. Arap-Kirui: Mr. Speaker, Sir, I have just re-assured this House that the KCB is very sound and as far as I know, the bank is not planning to write-off any loans owed to it by any of its present or past directors.

Question No.240

IMPLEMENTATION OF SONDU-MIRIU PROJECT

Mr. Odoyo asked the Minister for Energy:-

- (a) whether the civil works contractor for Sondu-Miriu Hydro-electric project had been appointed; and,
- (b) when the re-settlement programme for the people to be displaced by the said Sondu-Miriu Project would begin.

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

(a) No contractor has been appointed. However, five firms have been short-listed for consideration. The firms have already collected relevant tender documents which were to be submitted back on 16th June, 1998.

(b) Preparations for resettlement and land compensation have already commenced. For instance, on 27th May, 1998, there was a meeting organised by the Provincial Administration at Sati Thuridibuoro Secondary School and attended by members of the local community who will be affected during the implementation of the project. Shortly, a sub-consultant will be appointed to carry out the resettlement and compensation programme.

Mr. Odoyo: Mr. Speaker, Sir, could the Assistant Minister enlighten us about the five contractors? Were they Kenyan or Japanese firms? Could he Table the names of these firms? Since 16.6.98 is two days ago, could we please be informed whether the tenders have already been opened, and if so, who has won the tender?

Mr. Manga: Mr. Speaker, Sir, I said five firms have collected the tender documents and they were to return them by 16.6.98. So it is very difficult now for me to say who has won the tender.

Mr. Ojode: Thank you, Mr. Speaker, Sir. The Minister has not heard what hon. Odoyo was asking. This is a very simple question. We would like to know the names of the five short-listed firms, and if the tenders have already been opened or not. We would also like to know how much they have tendered for.

Mr. Manga: Mr. Speaker, Sir, I am not in a position to give the names because I do not have them. That is a different question.

Mr. Ojode: Mr. Speaker, Sir, the Assistant Minister is trying to evade the question. He knows the five short-listed firms. One of his firms is among those that have been short-listed. That is why he does not want to

give the names. Could the Chair compel him to submit the names later if he does not have them now? Please help us, Mr. Speaker, Sir.

Mr. Manga: Mr. Speaker, Sir, I do not have any ill motive. I do not have a list of the names of the five firms and it is very difficult for me to remember them off-head. If he has a question, he can put it to the Ministry and we will provide him with an adequate answer. We will even tell him the name of the firm that will win the tender.

Mr. Ndwiga: Mr. Speaker, Sir, I think that it is time we asked some of these Ministers to get serious about Questions in this House. He knows that there are five contractors. Any Minister of reasonable intelligence ought to obtain information [**Mr. Ndwiga**]

from his officers because he is likely to be asked questions in the House. The Minister must produce the names of the five contractors because the House demands that he does so.

Mr. Manga: Mr. Speaker, Sir, if the House demands that, I will bring the names on Tuesday next week.

Question No.219

INSTALLATION OF STD FACILITY AT KAGWE

Mr. Gitonga asked the Minister for Transport and Communications:-

(a) if he was aware that Kagwe in Lari Constituency does not have a Subscriber Trunk Dialling telephone service; and,

(b) if the answer to "a" above is in the affirmative, what immediate plans he had to install this facility for ease of communications.

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

(a) I am aware that Kagwe in Lari, which is served by a manual telephone exchange based at Gatamaiyu market has no STD service.

(b) Provision of automated service for the area using a land line cable was planned, but due to repeated vandalism, a radio alternative is being considered. A plot for the equipment has been acquired and necessary technical studies have been completed. We are in the process of identifying radio equipment for installation.

Mr. Gitonga: Mr. Speaker, Sir, we need some guidance from you. What do we do about these Ministers who come here to read answers given to them by civil servants and they do not follow up to see that the answers they give are carried out? I raised this same Question for the first time in 1994. I was told by the then Minister that the STD would be installed by the end of 1994. This was never done. In 1995, I raised the same Question and I was told this was going to be done. In August last year, I asked the same Question and I would like to read the answer that I was given then:-

"The Kenya Posts and Telecommunications Corporation has identified a plot on which to build a Subscribers Trunk Dialling telephone service exchange. A link will be put up in November, 1997 and the exchange construction will be undertaken in January 1998. The cut-over will be effected by February, 1998."

So, far, nothing appears to have been done. Could we be assured that this will be carried out now without further delay?

Mr. Obure: Mr. Speaker, Sir, I am aware of these developments. I am very sympathetic to what the hon. Member for Lari has expressed here. I want to assure him that the new Minister has issued firm instructions that nothing will be said in this House which will not be implemented. We intent to implement this particular project.

Dr. Ochuodho: Mr. Speaker, Sir, I am a bit worried that as we approach the next millennium, much of our telephone network may still be analogue. Could the Assistant Minister tell us what percentage of our exchanges are not modernised and what the Ministry is planning to do about the year 2000 bug? We have been told that some telephones exchanges will not work from January, in the year 2000. What is the Ministry doing to ensure that, that does not happen?

Mr. Obure: Mr. Speaker, Sir, this threat posed by the year 2000 bug is a serious one. It is a national problem. My Ministry has taken up the initiative to set up a high powered task force to study this problem and come up with a solution before the year 2000. In fact, that task force will require assistance from people who understand this business. The hon. Member for Rangwe who is a personal friend of mine, is one of the experts in this area. I am sure that he will be one of those who will be soon called upon to provide some of the solutions to this major problem.

Mr. Gatabaki: Mr. Speaker, Sir, could the Assistant Minister tell the House the criteria the Ministry uses in installing modern communications services? In Baringo Central and Keiyo South Constituencies, there are modern telecommunications systems, whereas only 40 miles away from where hon. Gitonga comes from and where there is a major tea factory, this facility is not there. What kind of criteria does the Ministry use in installing these?

Mrs. Seii: On a point of order, Mr. Speaker, Sir. I would like to correct the hon. Member. There is no modern telephone facility in Keiyo South.

Mr. Gatabaki: Mr. Speaker, Sir, my question has not been answered. What specific criteria does the Ministry use in extending modern communications systems? Hon. Gitonga's constituency is only 40 miles away from here and there is a modern tea factory. On the other hand, an area which is 300 miles away from here and which has no factories has the most modern communication systems on earth.

Mr. Speaker: I thought that when hon. Seii volunteered that information, you were quite happy. But since you are not, could the Minister answer you?

Mr. Obure: Mr. Speaker, Sir, I will try to make the hon. Member for Githunguri happy by telling him that the Corporation uses standard criteria in allocating telephone facilities all over the country. Lari is one of the most productive areas of this country and that is one reason why it qualifies for direct STD service which I have just promised the hon. Member for that area. There is no discrimination whatsoever in the provision of telephone services as the hon. Member for Githunguri wants to imply.

(Mr. Gitonga stood up in his place)

Mr. Speaker: Order, Mr. Gitonga! Look at the clock please; I am also pressed for time. Next time---

Mr. Gitonga: Mr. Speaker, Sir, it is a pressing matter. The Assistant Minister has told us that the issue of communications is being considered. Could he tell this House-- By the way, the market is not Gatamaiyu, it is Kagwe. Could the Assistant Minister tell this House when this facility will be installed?

Mr. Obure: Mr. Speaker, Sir, unfortunately, I am not in a position to give any specific date. But in the light of the sentiments expressed by the hon. Member representing the area, we will stress the importance of installing this facility as quickly as possible.

Question No.238

ACQUISITION OF NEW CRANES BY KPA

Prof. Anyang'-Nyong'o asked the Minister for Transport and Communications:-

- (a) what is the Ministry was doing to ensure that the Kenya Ports Authority (KPA) acquires efficient cranes;
- (b) whether it was true that the Kenya Ports Authority is planning to purchase post-panamax cranes worth \$20 million, and;
- (c) what rationale was there in buying new cranes when old ones can be refurbished with even better economic results.

The Assistant Minister for Transport and Communications (Mr. Obure): Mr. Speaker, Sir, I beg to seek some indulgence. I wish to request that this particular Question by hon. Prof. Anyang'-Nyong'o be deferred to a later date.

Mr. Speaker: What is your reaction, Prof. Anyang'-Nyong'o?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, before the Assistant Minister defers it, could he tell the House when the Question is likely to be answered, because from what I understand, the Ministry despatched some personnel two weeks ago to Mombasa to look for this answer, but because of the state of the roads, they have not even come back?

(Laughter)

Mr. Speaker: Order, Members! I suppose it is me who will decide when it will be answered. It will be put on the Order Paper next week, on Tuesday.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, but they have taken two weeks going, and coming back will take another two weeks. So, when is this Question going to be answered?

The Assistant Minister for Transport and Communications (Mr. Obure): Mr. Speaker, Sir, the reason why I am seeking deferment is that, we want to give the hon. Member, and this House, a comprehensive reply. I wish to confirm, and agree with your decision that, the Question should be answered in this House next week on Tuesday.

(Question deferred)

Question No. 195

LBDA PROJECTS IN URIRI

Mr. Omamba asked the Minister for Rural Development:-

(a) what projects the Lake Basin Development Authority had initiated in Uriri Constituency between 1993 and 1998, and;

(b) how much money had been spent on each project.

The Minister for Rural Development (Mr. Mohamed): Mr. Speaker, Sir, I beg to reply.

The Lake Basin Development Authority has initiated four projects in Uriri Constituency, Migori District. One, the Rural Domestic Water Supply and Sanitation Project which was started by the Lake Basin Development Authority and handed over to the Ministry of Water Resources. The Authority constructed nine water points and 327 pit latrines in homes, market places and institutions.

The second one is the Western Kenya Rain-Fed Rice Development Project. The main object of this project was to create rural employment in the agricultural sector among other objectives. A total of 3,000 farmers were recruited in the whole district including those in Uriri Constituency, and were availed with seasonal credit facilities for land preparation and rice planting.

The third one is the Livestock Multiplication Centre. The Centre was established to avail very good quality dairy animals to the local farmers at affordable prices. To-date, over 500 animals have been sold to farmers in Migori District and surrounding districts.

The fourth one is the Small Scale Fishing Farm Project. A number of fish ponds have been constructed in Migori District and Uriri Constituency where we have the highest number of successful fish farmers.

Since 1982 to-date, the Lake Basin Development Authority has spent Kshs3.7 million on the first project; Kshs2.3 on the second project; Kshs17 million on the third project, and; Kshs2.3 million on the fourth project.

Thank you.

Mr. Omamba: Mr. Speaker, Sir, this is paper work. If they transferred the project to the Ministry of Water Resources, in which location are these nine water points? The Minister talked of 3,000 rice farmers. In which area is the rice grown? The area he referred to is in Migori Constituency. Could he tell this House how many of the 500 animals are in Uriri Constituency?

Mr. Mohamed: Mr. Speaker, Sir, this is not paper work, it is real work. It is only that the hon. Member has not asked me where these projects are. If he wants those details, he can ask a separate Question and I will provide the answer.

Mr. Oloo-Aringo: Mr. Speaker, Sir, from the Minister's answer, we are facing a serious credibility gap in the Government because the Rain-Fed Rice Project has actually not taken off. But the Minister is telling us here that the Rain-Fed Rice Project has taken off. Could the Minister assure us that this Rain-Fed Rice Project, which is a major project in that part of the country, will be implemented fully by the Government because at the moment, what he is saying is misleading to this country and this House?

Mr. Mohamed: Mr. Speaker, Sir, I am not misleading the House. It is a fact that this project has started and it is doing very well. It might be having a problem like any other project, but, I can assure the hon. Member and the House that the Government is doing everything possible to make sure that the project takes off.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. The Minister has said that this project is doing very well, already. Then in his concluding remarks, he says, "the Government will make sure it will start off.

Mr. Speaker: Is that what he said?

Mr. Ndicho: Mr. Speaker, Sir, that is exactly what he said. So, which is which? Is it doing very well, or is the Government making sure that it takes off?

Mr. Mohamed: Mr. Speaker, Sir, what I mean is that I said that it might be having a problem like any other project in the country, but we will make sure that it will continue doing very well like any other project.

Mr. Otula: Mr. Speaker, Sir, would the hon. Minister kindly tell this House the total annual budgetary

allocation for the Lake Basin Development Authority and, of that amount, how much money has been used in development expenditure and how much has been used in recurrent expenditure?

Mr. Mohamed: Mr. Speaker, Sir, I only brought the figures for this specific Question, but if the hon. Member wants to know how much money the LBDA is going to spend in the next Financial Year, or has spend in the past years, I can make it available.

Mr. Achola: Mr. Speaker, Sir, I think, the Minister has done a dis-service to hon. Omamba's Question. All the projects that he has talked about are actually in my constituency and none of them is in Uriri Constituency. I would like to ask the Minister to come up with a proper answer detailing what projects the LBDA has undertaken in Uriri Constituency, not in Migori Constituency.

Mr. Mohammed: Mr. Speaker, Sir, I think Uriri formerly used to be part of Migori Constituency. That is why most of the projects are in hon. Achola's constituency.

Mr. Ojode: Mr. Speaker, Sir, this is one of the Authorities which have never been successful in our area. This Authority started a headquarters project within Kisumu which stalled. For five years, the Minister has never appointed a chairman for this Authority. Maybe that is why it is inefficient. Could the Minister inform the House how many projects were undertaken and completed successfully by the Authority?

Mr. Mohammed: Mr. Speaker, Sir, I know the headquarters project of the Authority has stalled. But the question of appointing a chairman has nothing to do with development projects. The Lake Basin Development Authority has done very well---

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

Mr. Speaker: Order! I am afraid, I have very little time left.

Question No.089

COMPLETION OF GIKUI-MWERU WATER PROJECT

Mr. Speaker: Mr. Murungi's Question is deferred!

Question deferred

Mr. Speaker: Next Question!

Question No.072

DISPOSAL OF RADIOACTIVE WASTE

Dr. Leakey asked the Minister for Environmental Conservation:-

- (a) if he could inform the House about procedures in practice for disposal of low grade radioactive waste that accumulates at hospitals, clinics and research institutions; and,
- (b) if he could indicate the capacity and supervision of such procedures.

The Minister for Environmental Conservation (Mr. Nyenze): Mr. Speaker, Sir, I beg to reply.

Kenya makes use of radioactive substances in industries involved in the manufacture of cigarettes, breweries, rubber tyres, steel pipes as well as road testing, oil exploration, health institutions and agriculture, among others. This usage poses danger to the public who may handle radioactive materials or waste, without adequate safeguards. Radioactive protection, including the control of use, importation, exploration, installation and all issues related to radiation devices or materials, is restricted under the Radiation Protection Act, Cap. 243, Laws of Kenya, which has established the Radiation Protection Board under the Ministry of Health - the advisory authority to the Government on policy matters related to radiation protection. The Board is also charged with the scope of environmental monitoring of rain water, natural resources monitoring and regional collaboration with other neighbours for early radiation detection and notification.

Mr. Speaker, Sir, other areas of concern are the possible dumping of nuclear wastes into our coastal waters, trans-boundary movements of such nuclear wastes, whether by maritime or overland transport, which may pose danger to lives within Kenya's vicinity. My Ministry is in the process of ratifying several international negotiated legal instruments with regard to safe disposal or transportation of toxic waste, including radioactive materials.

Mr. Speaker, Sir, the Radiation Protection Act, Cap.243---

Mr. Speaker: Mr. Nyenze, are you answering a Question or giving a Ministerial Statement?

The Minister for Environmental Conservation (Mr. Nyenze): Mr. Speaker, Sir, I am still trying to answer the Question. I just wanted to give the hon. Member that bit of information.

What the Government has been doing to ensure there is security of its citizens is by ratifying some of these conventions. It has in place---

Mr. Speaker: Mr. Nyenze, I am sorry, I cannot allow you to take all the time. First of all, if you look at what you are being asked, particularly in part "b", it is your capacity to supervise, if you have any measures. So, can you address that particular issue? Do you have the capacity to supervise the handling of radioactive material?

The Minister for Environmental Conservation (Mr. Nyenze): Mr. Speaker, Sir, we have the capacity and we have put in place measures to handle low grade radioactive waste. We first, determine, locate and then employ safeguards, so that it is handled in a way that it will not cause harm to the people.

Dr. Leakey: Mr. Speaker, Sir, I have no wish to embarrass the hon. Minister. But I would like to suggest that he is being evasive, and he has not been adequately informed. I would like to ask him if he is aware that the Radiation Board has been inactive for years. As result, today, low grade radioactive solid waste is being incinerated, despite the fact that the isotopes are not destroyed by heat, and the fall-out is across the city from several hospitals and laboratories.

Secondly, is the Minister conscious of the fact that liquid waste is being poured into the sewage system which goes down the Nairobi River to the Athi River, and is being consumed as water and irrigation for vegetables that will cause epidemics for the entire nation?

Mr. Nyenze: Mr. Speaker, Sir, I disagree with the hon. Member. Both solid and liquid radioactive materials are handled very carefully in hospitals and research institutions. The Board has undertaken safeguard measures. It is actually encased, put in safe places and transported to the Ministry of public Works and Housing, Industrial Area dumping site, where it is protected.

Dr. Kituyi: Mr. Speaker, Sir, how we deal with radioactive materials is a matter of urgent national concern. Yesterday an hon. Member asked a Question about the dumping of radioactive materials in parts of Northern Kenya, which should have gone to this Minister.

Mr. Speaker, Sir, as we talk today, Webuye District Hospital, which was officially opened by the President, one and a half years ago, does not even have a sewerage system. There has never ever been a protected vehicle to dispose off low radioactive materials from that District Hospital.

Could the Minister tell this House which vehicles have been transporting these radioactive **[Dr. Kituyi]** materials to the safe dumping ground that he is talking about? We know that even used syringes from hospitals are ending up in open dumping places in this country.

Mr. Nyenze: Mr. Speaker, Sir, the Government attaches a lot of importance to its citizens and cannot allow the open dumping of syringes and radioactive wastes which are very dangerous.

Mr. Raila: On a point of order, Mr. Speaker, Sir. The Minister has referred to Cap. 243, Section 12, which reads as follows:-

"The holder of a licence shall be responsible for ensuring that exposure to ionising radiation, resulting directly or indirectly from his operation, conditions of storage, transport or disposal shall be kept as low as reasonably practicable below the prescribed limit."

Mr. Speaker, Sir, that particular section does not tell us what is exactly happening. That is the law which stipulates what should happen. Therefore, the answer given by the Minister is incorrect.

(Applause)

Dr. Leakey has said it, and I have reason to believe that radio-active material is being dumped into the sewage at Kenyatta National Hospital. It is finding its way into the Nairobi Dam, where it is inhaled by members of the public. Apart from being carcinogenic and, therefore, causing cancer, the radioactive material is also known to cause impotence among men and women.

(Applause)

Therefore, could the Minister tell this House where this safe dumping ground is located in the Industrial Area? He should further tell us how this material is transported and then stored. In what boxes is this material stored?

Mr. Nyenze: It is an assumption that radioactive waste--- We only use compound 60. We do not use

materials with a high concentration of radioactivity. This material is disposed of through proper channels. Therefore, radioactive materials are not dumped in the Nairobi Dam.

Dr. Leakey: I would like to inform the Minister that this is a Question of national importance. I have visited hospitals in the last 48 hours, which have accumulated more than four years of liquid waste. They no longer have storage facilities for it and are dumping it into open drainage. The Minister should know that, that is the truth.

The Assistant Minister for Health (Mr. Criticos): On a point of information, Mr. Speaker, Sir.

Mr. Speaker: Mr. Criticos, who are you informing? Do you want to inform Dr. Leakey?

The Assistant Minister for Health (Mr. Criticos): On a point of information, Mr. Speaker, Sir. I would like to inform the Minister for Environmental Conservation and hon. Leakey that what the Ministry of Health supplies to Government hospitals and dispensaries is compound 60, which is a radioactive material. There are two machines that we use which are anti-radioactive. We do have a contract with the Atomic Energy of Canada for the disposal of our radioactive materials.

Dr. Leakey: On a point of order, Mr. Speaker, Sir. The Minister is talking about medical laboratories. Has he heard of sodium water which is used in most of the work done in scientific laboratories such as KEMRI and IPR. Does he know what it looks like?

Mr. Nyenze: Mr. Speaker, Sir, I am very much aware of that and I have tried to visit so many places.

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

Mr. Speaker: Order! Order! This matter of toxic waste has been in the minds of hon. Members since yesterday. It does appear to me that this is a grave matter. It requires proper consultation between the Ministry of Health and the Ministry of Environmental Conservation. Therefore, I direct the Minister for Environmental Conservation to get in touch with his colleague in the Ministry of Health, and any other relevant Government organ, so that they can let Kenyans know the true position of this issue. The Minister can then come back to the House and give us a proper answer.

QUESTIONS BY PRIVATE NOTICE

ASSISTANCE TO KIMORIGHO FLOOD VICTIMS

(Mr. Mwakiringo) to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that 500 families in Kimorigho Location, Taveta Division, have been displaced by floods due to the heavy rains in the month of April this year?

(b) If the answer to "a" above is in the affirmative, what action has the Minister taken to assist the flood victims who are in dire need of shelter, food and medicines?

(c) What measures has the Minister taken to avert such displacements in future?

Mr. Speaker: This Question by Private Notice will be deferred. Therefore we will move on to the next Question.

(Question deferred)

NON-REMITTANCE OF FUNDS TO NHC

Mr. Kajembe: Mr. Speaker, Sir, I beg to ask the Minister for Local Authorities the following Question by Private Notice.

(a) Is the Minister aware that house (plot) allottees at Mikindani, Chaani and Miritini site and service schemes, funded by the World Bank to give shelter to the low income groups, have been given 14 days notice to repay their loan balances in full to the National Housing Corporation (NHC)?

(b) Is he further aware that the allottees have regularly repaid their loans to Mombasa Municipal Council and that it is the Council which has failed to remit the same to National Housing Corporation?

(c) If the answers to "a" and "b" above are in the affirmative, could the Minister prevail upon the National Housing Corporation to withdraw the said notice and order the Council to sort out the matter with the national Housing Corporation instead of victimising innocent allottees?

The Minister for Local Authorities (Prof. Ongeru): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that notices have been given to plot allottees of Mikindani and Chaani site and service

projects who have not paid dues for their plots. Miritini is not included in these notices.

(b) Not all allottees have been paying their loans regularly to the Mombasa Municipal Council. These are the ones who have been issued with notices so that they can clear their arrears.

(c) The Mombasa Municipal Council has entered into some negotiations with the National Housing Corporation (NHC), with respect to how debts owed by the Council to the NHC will be cleared. We hope that after the negotiations, plot allottees will not be victimised.

Mr. Kajembe: Mr. Speaker, Sir, since the establishment of these two projects, namely Mikindani and Chaani, the money collected from the allottees of these plots by the Mombasa Municipal Council has not been remitted to the NHC. This money has been used by the Mombasa Municipal Council to pay salaries for its workers. Therefore, the Council has become a defaulter to the NHC. As a result, the owners of Mikindani and Chaani plots have been served with notices. Is the Minister aware that the money collected from the plot allottees by the Mombasa Municipal Council was used for the payment of workers' salaries?

Prof. Ongeri: Mr. Speaker, Sir, I have already said that I am aware. I have also said that defaulters are those who were given notices. Notices have not been given to people who have paid money to the Mombasa Municipal Council regularly. Some of the allottees---

Mr. Kajembe: On a point of order, Mr. Speaker, Sir. My point of order is that notices were given to every allottee, whether he paid the money to the Mombasa Municipal Council or not.

Mr. Speaker: Mr. Kajembe, that is not a point of order!

Prof. Ongeri: Mr. Speaker, Sir, I may politely remind hon. Kajembe that the defaulters are those who have taken the plots, sublet them, but are not paying their dues to the Mombasa Municipal Council.

Mr. Kajembe: On a point of order, Mr. Speaker, Sir. Is the Minister aware that this move of giving notices to the allottees is an attempt by the Mombasa Municipal Council to repossess these plots from the poor people, and then give them to rich people? This defeats the purpose of the World Bank in funding this project. It was meant to benefit the poor.

Prof. Ongeri: Mr. Speaker, Sir, I am not aware. But I would like to assure the hon. Member that the process of acquiring a plot or a house within the municipality involves a tripartite approach. There is the Municipal Council of Mombasa, the National Housing Corporation and the allottee. Therefore, there cannot be a collusion where one party sells a property to another party.

Mr. Speaker: I am sorry time is up now. Hon. Shill, I am afraid I will have to defer your Question to Tuesday.

CLOSURE OF SCHOOLS IN JARAJILLA DIVISION

(**Mr. Shill**) to ask the Minister for Education and Human Resource Development:-

(a) Is the Minister aware that all schools in Jarajilla Division have been closed due to insecurity?

(b) If the answer to "a" above is in the affirmative, what measures is the Minister taking to ensure that the schools are re-opened as a matter of urgency?

(Question deferred)

Let us move to the next Order.

COMMITTEE OF WAYS AND MEANS

(Order for Committee Read)

MOTION

THAT, MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 11.06.98)

(Resumption of debate interrupted on 17.06.98)

(Fourth Day of Budget Debate)

Mr. Speaker: Who was on the Floor? Hon. Ayoki, you have three minutes!

Mr. Ayoki: Mr. Speaker, Sir, before we adjourned yesterday, I was informing the House that the Budget, despite being friendly, was very unfriendly to the people of Nyanza Province. In the Budget, the people of Nyanza Province have been marginalised. The funds allocated for development in this area are not enough. There are no funds for repairing roads, rural electrification and establishing health facilities.

In conclusion, I would like to make an appeal to the Minister and the Government at large; that the people of Nyanza are no longer the hostile Opposition they used to be. They are now loyal Opposition. Our case deserves special attention because what we require now is development.

With those few remarks, I beg to support.

The Assistant Minister for Trade (Mr. Ndilinge): Ahsante sana, Bw. Spika.

Ningependa kuanza kwa kumshukuru Mwenyezi Mungu kwa kuona kwamba ni vizuri nirudi hapa Bungeni kama Mbunge wa Kilome. Ningependa kuwapongeza wale walioshinda na kuwapa pole wale walioshindwa. Ikiwa Mbunge ni wa KANU au Upinzani, anapoanza kuwatumkana wenzake, waliokuchagua hawatauliza ulituziana mara ngapi. Watauliza uliwafanyia nini?

Kabla ya kuanza kujadili juu ya Bajeti, ningependa kuwarudishia Wabunge wote shukrani, kwa ile heshima walionyesha siku hiyo. Nawaonea huruma wale Wabunge watano walioasi, hata ingawa sasa wameanza kuunga mkono Bajeti hiyo. Walikosa Bajeti nzuri sana.

Mr. Ndicho: Jambo la nidhamu, Bw. Spika. Mhe. Ndilinge ana haki kuwaonea Wabunge watano ambao hawakusikiliza Bajeti huruma? Mimi nikiwa mmoja wao, sitaki kuonewa huruma! Hii ni kwa sababu tulilolifanya--

Mr. Speaker: Mhe. Ndicho, hayo ni maoni yako! Mwache atoe maoni yake!

Mr. Ndicho: Lakini mimi sitaki huruma!

Mr. Speaker: Order! Order! You have no control over human beings!

The Assistant Minister for Trade (Mr. Ndilinge): Bw. Spika, mtu akikosa kitu kizuri, sharti aonee huruma. Bajeti ilikuwa nzuri na namwonea huruma Mbunge huyo, hata ingawa ni rafiki yangu, kwa kukosa Bajeti hiyo.

Kama viongozi, nataka tujiulize swali moja. Wengi waliokosa kurudi katika Bunge hili walikuwa wanapigana vita, "Moi must go", na wakasahau kazi ya wananchi. Kazi yao ilikuwa, "Moi must go". Rais Moi alichaguliwa kuwa Rais na wao wakaenda nyumbani. Kwa hivyo, ningependa kuwaambia hata ndugu zetu katika KANU kwamba ikiwa hawajui vile walitumwa na wananchi kufanya, na badala yake waanze kupiga Upinzani, hawataulizwa na wananchi, "walipiga Upinzani mara ngapi?" Wataulizwa, "ulitufanyia nini?" Kwa hivyo, lazima viongozi wa pande zote mbili katika Bunge hili wawe pamoja. Tusahau maneno ya kusema tutampiga fulani kwa sababu ni wa Upinzani. Lazima tujenge Kenya yetu pamoja.

Bw. Spika, kukiwa hakuna amani, viongozi hawatapata nafasi ya kujenga nchi yao. Tungependa amani idumu katika nchi hii. Viongozi ambao wanagonganisha raia lazima watajwe hadharani. Kuna wengi ambao wamejificha chini ya wakubwa wao na kuchochea wananchi. Wakitajwa, wanakimbilia wakubwa wao. Mambo ya kukimbilia wakubwa yaishe, na mambo ya kudumisha amani yawekwe msitari wa mbele.

Bw. Spika, viongozi huja na kwenda. Ningewaomba viongozi wote waunge mkono Serikali ilioko. Leo inaweza kuwa ni Rais Moi, lakini baadaye inaweza kuwa ni wewe. Kwa hivyo, ikiwa hauheshimu Serikali ya Rais Moi, hautaheshimiwa. Ningependa kuwajulisha viongozi wote kwamba, ikiwa Kenya haikuwa na wananchi, hawangechaguliwa. Wengine wakichaguliwa na kufika Bungeni, wanafikiri wao ndio mabwana wakubwa. Wanasahau waliowachagua. Nawarudishia Wakenya shukrani sana kwa sababu wengi waliojigamba katika Bunge hili, na wakasahau shughuli walizotumwa na wananchi kufanya, walinyolewa kweli kweli. Hili ni dhahirisho kwamba raia wameamka.

Bw. Spika, mimi, Col. Kiluta na Bw. Maundu tulisema hapa Bungeni kwamba kuna njaa huko Ukambani. Wachache wetu walisimama na kusema: "There is a lot of food in Ukambani". Wako wapi sasa? Raia waliwangojea vizuri na kuwanyoa sawa sawa.

An hon. Member: Na Maundu!

The Assistant Minister for Trade (Mr. Ndilinge): Namwonea Maundu huruma kwa sababu mnajua vile mlifanya!

Bw. Spika, Bajeti husomewa nchi ilikusaidia wananchi. Bajeti ya mwaka huu isije ikawa ni ya matamshi tu, na hakuna vitendo. Bajeti ikisomwa, lazima mambo ya maji, barabara na mengine huko Kilome yaonekane. Pesa hizo lazima zifanye ile kazi zilozotengewa, zisije zikawa ni pesa za mdomo bila kazi.

Kwa upande wa kuweka amani, kuna majeshi na polisi. Lakini wengi hawana magari. Wanaishi kwenye majumba hoihoi. Sasa, ikiwa mtu atalala akinyeshewa, halafu asubuhi aambiwe kuna wizi, ataenda kuchunga namna gani? Pesa zilizotengewa kazi hiyo lazima zijenge majumba ya polisi na zinunue magari ya polisi. Mara nyingi, unapeleka ripoti kwenye kituo cha polisi inayohusu maisha ya mtu, na inachukua siku nzima kabla ya kuona polisi. Wengi wanaweza kufikiria polisi hawataki kwenda, kumbe hawana magari.

Bw. Spika, ningemwomba Waziri wa Maji aanganalie sehemu ambazo zinahitaji maji sana hasa Ukambani. Vile vile ningemwomba Waziri wa Fedha atafute pesa zingine ambazo zitatusaidia kuhifadhi maji ya mvua ambayo yanaenda Bahari Hindi ili yatumiwe kuzalisha chakula cha kulisha watu wetu huko Ukambani. Jambo lingine linahusu Wizara ya Uchukuzi na Mawasiliano. Tuna shida kubwa ya mawasiliano kiasi kwamba ukiagiza simu asubuhi huko Makeni utaipata jioni ilhali Makeni ni makao makuu ya Wilaya. Je, ikiwa Mkuu wa Wilaya ana shida ya mawasiliano, wananchi wa kawaida huko vitongojini wanafanya nini? Jambo linalozuia simu isingie katika kituo cha simu cha Makeni ni ukosefu wa stima. Tungeomba Waziri wa Kawi asitunyime stima kwa sababu sisi tunategemea vyakula vya msaada, hasa kule Makeni. Ikiwa tunaomba msaada wa vyakula je, tunaweza kulipa stima? Ninaomba Serikali itufikirie wakati wa kusambaza stima kupitia mpango wa Rural Electrification Scheme kwa kutoza kiwango cha chini cha pesa. Hatuwezi kulipa Kshs1 milioni kwa stima wakati ambapo hatuna chakula. Itanibidi nilishe familia yangu nikisubiri chakula cha msaada. Kwa hivyo, mambo yanahitaji kuangaliwa kwa undani ikiwa nia yetu ni kuwasaidia wananchi wapate huduma za maji na stima.

Bw. Spika, ninawaomba Mawaziri wa Serikali wanisikilize kwa makini kwa sababu watu wetu wanaumia sana na mambo haya yanawahusu. Mvua ya *El Nino* iliharibu barabara zote na kuna Wizara moja ambayo inatutesa sana hasa Wakamba na Wamasai wa kutoka Athi River na Mtito Andei. Hatujui kama ni njama mbaya dhidi yetu ama ni jambo gani. Siku hizi gari la moshi halibebi abiria kati ya Athi River na Sultan Hamud na kuna watu zaidi ya 10 ambao wameumia katika harakati za kujaribu kuingia gari kama linatembea kwa sababu linapokaribia kituo chake, dereva anapiga gari moto na kuondoka huku akiwaumiza abiria wengine. Tungependa Waziri wa Uchukuzi na Mawasiliano achunguze jambo hili kwa undani kwa sababu hatujui kama ni njama au Wizara imebadilika baada ya Uchaguzi wa mwaka 1997. Watu wetu wanateseka sana na tungeomba Waziri achukue hatua mara moja.

Kwa hayo machache, Bw. Spika, ninaunga mkono.

Mr. Oloo-Aringo: Thank you, Mr. Speaker, Sir, for giving me this opportunity to give my views on the Budget. There is one area in which I fully agree with President Moi. I agree with him when he says that "Siasa mbaya ni maisha mbaya." It is true because at this stage in our development, we have the worst "maisha mbaya" in our history in Kenya because we have reached the verge of economic collapse and everywhere in this country, there is pain and suffering amongst our people. We must attribute this, just as President Moi has said from time to time, to bad politics. It is siasa mbaya which has brought us to the verge of economic collapse and, therefore, when we want to address the issues of this country, we must address the issues of politics. I have heard my colleague say here that there is no more politics; of course, there cannot be an end to politics. Politics is why we are here, but we must distinguish between good constructive politics and bad politics. Therefore, we must lay the problem at the door of politics; that since Independence, we have promoted the politics of survival, which is primarily the politics of tribal hegemony. But there are those individuals who want to survive by hook and crook. They want to survive at any cost even when it is clear that they have become irrelevant. This is the tragedy in our country and on that basis, therefore, I want to take this occasion to congratulate those hon. Members who assembled in Mombasa to discuss the economic crisis of this country. That was by any standard of politics in this country, a bold step because for the first time on both sides of the House, hon. Members assembled to discuss the economic crisis.

Mr. Speaker, Sir, I must also congratulate you because you honoured the occasion by your very presence. That was the first time Kenyans were owning up to the problem of economic crisis. Whatever else we say about the Mombasa Economic Forum, it was the best thing that had happened to this country. We did not pass the buck to the World Bank, the International Monetary Fund (IMF) or the donors; we owned up to the problem and said; "We are responsible for bringing this economy to the verge of collapse". The Government must own up to it for the mediocrity of some of its policies and for inability to address some of the issues in this country. We, in the Opposition too, must own up to the problem as the beginning of reconstruction of this country. It is not the World Bank, IMF or the donors, but it is the history of corruption which we have abetted and which has brought us to the verge of collapse. That is the beginning of solving this problem.

I must also take this opportunity to congratulate those who went to Mbagathi because it was literally the Mombasa II meeting. We were addressing the same issues and came to the same conclusions. It is time we were honest with ourselves, it does not matter who originates the idea. If it is going to reconstruct our economy, let us embrace it. It is for that reason that I support both the Mombasa and the Mbagathi economic fora, and a lot of

those sentiments have now been reflected in the Budget. That is a step forward. The Budget is no longer the parochial issue of one party, it is the property of this country. When the Minister addresses the two issues of economic growth and poverty, that is crucial. But what I am saying is that we have lacked the political will. The Minister has repeated what other Ministers for Finance have said in this House from time to time. Are we assured this time that there is the political will to support the measures which Kenyans have identified as the first step to reconstruct the economy of this country? If there is that goodwill, why was there a condemnation of the Mombasa Economic Forum? That is the politics we must avoid and we must be brave enough to say that, that is wrong. I want to congratulate KANU Members who stood their ground and said it was their right to discuss the economy of this country.

Secondly, we have to address the whole issue of investment which is intimately related to politics. If there is chaos or civil strife, we cannot attract investment, basic economic and basic politics. Those who are promoting ethnic violence in this country are the greatest enemies of development.

Mr. Speaker, Sir, who is going to invest in Kenya if Nakuru is in flames? Some hegemonists who want to perpetuate tribal politics are determined to hang on to power in spite of clear signs that democracy is taking root. Nobody is going to invest in Laikipia or Mombasa, and that is why the tourism industry has collapsed. In order to ascend to power, some people are ready to destroy the whole economy. That is what we must address and it is the beginning of reconstruction. I am suggesting that this House has a primary responsibility to lead. The Executive accumulated enormous power because this House abdicated its responsibility, but we have reasserted it by going to Mombasa. In ensuring that the House is supreme, all the attempts to undermine the House must be resisted by the very Members of this House. Let us face it: You may be in the Front Bench today, but tomorrow you will be with us in the Back Bench and the title which will be permanent, because people have given it to you, will be a Member of Parliament. Any erosion therefore of this House is the erosion of the sovereignty of the people of Kenya. Parliament must, therefore, provide leadership not just in politics, but also in economics. We must come together in the spirit of the Mombasa and Mbagathi fora and begin genuine reconstruction, hoping that there will be political will from the Government. The Government is our agent and we can actually dismiss it if we decide to do so. If we refuse, for example, to fund the Budget proposals next week, how will the Government function by the end of June? I was in the United States last year when the Congress refused to fund President Clinton's administration. True enough, the Federal System came to a stop world-wide. Members of Parliament have the power to refuse to vote money for the Government expenditure if the Government does not respect the Members' reconstruction efforts. Let us not abdicate this power. For example, when we suggest that the number of Ministries should be reduced as part of this reconstruction; as a Parliament, we have not been asked at all about the structure of the Government, yet we are empowered by the Constitution. Let us reassert that power and make our demands. In a confrontation, the Government cannot win.

I know that there are many people in KANU who are uncomfortable with the closed approach to discussions on issues. This is why they are quiet, and I congratulate them. Let them rise and join hands with us and put priority where it is. First, Parliament provides leadership. It tells the Government what to do and asks it to do it, and if it does not do that, we stop financing it. We have the power over this Budget. I request Ministers and my colleagues to take the House seriously because people are listening to us. Some of them even think that this is a council of elders which will give guidance to this country. That is the starting point. After the Mombasa and Mbagathi economic fora, I feel that Parliament must now relentlessly ensure that Government implements all those measures. Everybody knows them; even people in the streets know them.

When this Government is fighting hawkers, it is fighting the informal sector. That sector is important because that is where we get employment, but this is where the City Council and all the municipalities are spending time fighting the traders. How do you expect them to earn their living? We have a responsibility and we are going to rise to the occasion as the Eighth Parliament in order for us to lead this Government so that it is the Government which will follow us and not us to follow it.

With those few remarks, I beg to support.

The Assistant Minister for Local Authorities (Mr. Sasura): Thank you, Mr. Speaker, Sir. While I stand to support the Budget Speech and while I do not regret being a Member of this Parliament, I am a bit disappointed to be in this House. I say this because yesterday I discovered that most hon. Members have not displayed the seriousness with which this House ought to be taken. I concur with hon. Aringo that Kenyans are listening to us and they think that this is a council of respectable elders who have come together to make laws for this country. I appeal to all Members of this House to set a good precedence for the new Members, otherwise, you will be forced to organise an orientation workshop for us.

I would like to commend the Minister for Finance for his Budget. I appreciate the fact that we have had many Ministers for Finance but this is the first time a Minister for Finance has acknowledged that the economic

situation of this country is in bad shape. That is worth commending.

Secondly, I congratulate the Minister for presenting a common man's Budget. Most Kenyans expect to hear price increases on basic commodities on Budget day, but this is not what happened this time. I am sure it has disappointed most greedy merchants who are very good at hoarding commodities a day or two before the Budget is read anticipating an increase in prices. Most important are the measures put in place to streamline a few things like evasion of tax and reduction of expenditure. Other measures taken are those of limiting the number of vehicles used by senior public servants and the usage of facilities like telephones. These measures reflect suggestions put forward in both the Mombasa and Mbagathi fora. I would say that the Budget was not basically the Minister's Budget, but was made by all of us following suggestions and proposals put forward in both meetings. I am sure all Members will support the Budget.

I would like to make one or two comments on teachers' salaries. We must appreciate that teaching is a very noble profession and teachers deserve to be supported. However, it must be noted that teachers' wages take a major percentage of the national cake. When we talk about re-negotiating the salary increments with the teachers, there is nothing wrong with it. The Minister did not say that teachers' salaries will be reduced. All he said was that they will be re-negotiated. Even warring parties re-negotiate. Palestine re-negotiated with Israel. Ethiopia is now re-negotiating with Eritrea. So, I think there is nothing wrong with Kenyans re-negotiating with their fellow Kenyans concerning a simple issue of salaries.

Retrenchment is a very painful but worthy cause. When we talk about retrenchment we should target specific areas here. We have public servants in this country who are indisciplined and corrupt. We have others who are not ready to work in some parts of this country especially in the North Eastern Province. In my constituency, the Marsabit District Hospital is about to be closed down because of shortage of nurses. These are the people who should be targeted through retrenchment. One point I would like to bring to the attention of this House and the Minister concerned is famine relief food.

When famine relief food which mainly consists of white maize is supplied to the northern parts of this country, it becomes very expensive. On a monthly basis, we get 3,000 or 4,000 bags of maize in one district. At the end of the day, some of it is given to a household of, say, 10 to 12 persons who end up getting five kilos. This does not mean that it is given out on the basis of its nutritional value. It is high time that we considered converting this relief food to money and the money be then channelled through the District Development Committees to purchase the necessary food. For example, instead of white maize, the leaders and the DDC can decide on what do with the money. In fact, it can even be used--- When we talk of 4,000 bags of maize, that means giving Kshs4 million every month to a certain district. This Kshs4 million can be used in areas which have problems for building hospitals and financing emergency programmes, instead of buying maize where you end up distributing four kilograms per one household.

Mr. Speaker, Sir, when we talk about insecurity in this country, I think, this is something which should not be exaggerated. Insecurity at all levels is found everywhere in the world. It is even found in the streets of New York where thuggery cases abound here and there. For the promotion of investments in this country, I urge Kenyans not to exaggerate the issue of insecurity in this country but try to find tangible solutions to it. Our performance in this House for the last two to three months has been very impressive. Even hon. Members of Parliament have desisted from uttering words which amount to incitement. This is very impressive and I congratulate them for that.

Mr. Speaker, Sir, I would like to say that we must exercise some degree of sincerity in this House. Most Members, especially those on the Opposition side have been in the Government. They have been in the Government and it is very good to hear that hon. Oloo-Aringo mentioned the question of reducing the Cabinet. I am saying this because when most Members of the Opposition were in the Government, we never heard them talking about the issue of reducing the Cabinet simply because they were the beneficiaries. I also urge the Government side to be very sincere without any fear.

Mr. Speaker, Sir, I would like to say something about the Constitution. The last time I was contributing here on the Floor, I mentioned the issue of reviewing the Constitution of Kenya. I would like to repeat again that most Kenyans do not even know what the Constitution is all about. There is need for education. Kenyans must first be told what the Constitution means. A case in point is that in the last Parliament, we were talking about the Inter Parties Parliamentary Group (IPPG). Most Kenyans did not even know what IPPG means. We are falling into the same trap again. Let Kenyans be told what the Constitution means first before we even talk about reviewing the Constitution.

Mr. Speaker, Sir, lastly, I would like to say that the issue of corruption is always a two-way process. If Kenyans are concerned about corruption, let them refuse to become corrupt so that the other party is not corruptible. Why do you condemn a police officer for demanding Kshs20? If you refuse to give a bribe, he will not

get anything. The issue of corruption is a two-way process and it must be addressed by all the concerned parties.

With these few remarks, I beg to support.

Mr. Karume: Asante sana, Bw. Spika, kwa kunipatia nafasi hii ili nitoe maoni yangu kuhusu Bajeti ya mwaka huu.

Kwanza namshukuru Waziri wa Fedha kwa Bajeti yake. Ilikuwa Bajeti ya maana sana na watu wengi wanaona kwamba ilikuwa ya haki. Lakini lile swali ambalo watu wanaulizwa ni kama yale mambo ambayo yametajwa yatatekelezwa. Wanauliza hivi kwa sababu Serikali ya Kenya imesema mengi lakini hakuna vitendo. Ni juji tuu ambapo tulifurahi sana kule Mombasa na vile vile hapa Mbagathi tukijadiliana juu ya uchumi wetu. Mambo yote tulisema katika mikutano hiyo miwili yalikuwa sawasa lakini tukiaangalia tunapata kwamba hakuna kitu ambacho kinafanyika. Tunasema kwamba ni lazima tumalize ufisadi lakini hakuna kitu ambacho kinafanywa kutekeleza jambo hilo. Sijui ni kwa sababu gani hakuna hatua yoyote inayochukuliwa dhidi ya ufisadi. Wiki, miezi na miaka unaisha bila kitu kufanyika kuhusu ufisadi.

Bw. Spika, mimi nafikiria kwamba si watu wote ambao wana jukumu la kutekeleza mambo haya hasa kumaliza hongo. Ukiwaambia watu ambao wanahusika na hongo wamalize hongo, hongo haitaisha. Kwa hivyo, kama tulivyosema, ni bora tuwe na kamati katika Bunge hili ili watu wengine waweze kuingilia mambo haya. Ningetaka watu wa Serikali ya KANU na wale wengine walioko katika Upinzani, wajue kwamba sisi ni Wanakenya. Sisi ni viongozi ambao wamechaguliwa na wananchi wa Kenya kuangalia na kuchunga mambo yao na kuwatumikia.

Bw. Spika, kwa hivyo, ni vizuri wakati tunaposema mambo tuyaseme kama Wanakenya na tuhakikishe kwamba yamefanyika. Tumesema mambo hayo yote kwa muda mrefu, lakini hakuna kitu ambacho kinafanyika. Sasa tunasema kwamba kwa kweli uchumi umeharibika. Pesa pia zimepungua. Hakuna kitu kinachoangaliwa. Ukiangalia barabara na kila kitu katika nchi nzima ya Kenya, utaona kwamba mambo yameharibika. Kila pahali unapoenda katika Kenya, unasikia watu wakilia kwa sababu hakuna maji, barabara na mambo yote. Hii ni kwa sababu hakuna kitu kizuri siku hizi. Hata katika jiji la Nairobi ukitaka kwenda kule Industrial Area ni lazima uende na gari kubwa au utakuama huko.

Bw. Spika, kwa hivyo, ni vizuri Upinzani na pia Serikali itekeleze mambo ambayo yanasemwa ili kitu kifanyike. Kama hatuwezi kufanya mambo kama hayo, wakati moja mtawaona wananchi wa Kenya ambao ni wazuri na wanapenda kuvumilia hata wakiwa na njaa wakitenda mambo maovu mengine. Haya mambo maovu ndio ambayo hatutaki kuona yakifanyika katika nchi yetu. Kwa hivyo, ni juu ya Serikali kutekeleza mambo ambayo yanasemwa kwa vitendo. Kuna watu ambao wana pesa za Serikali; wanaleta sukari na petroli nchini bila kulipa ushuru; au wanapewa kandarasi za kutengeneza barabara na kujenga mambo mengine ya Serikali lakini hawamalizi kazi hizo au hawafanyi chochote lakini wanalipwa pesa. Yule ambaye analipwa pesa hizi anajulikana na pia yule ambaye anapokea pesa hizi anajulikana lakini hakuna mtu ambaye anaulizwa.

The Assistant Minister for Environmental Conservation (Mr. Maizis): On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Member on the Floor to make general statements that the Government is not stopping corruption without substantiating?

Mr. Speaker: Why did you not catch my eye and put your argument? Proceed, Mr. Karume.

Mr. Karume: Bw. Spika, hapo mbeleni nilisema kwamba si haki kwa mtu yeyote hata akiwa katika Upinzani kusema mambo yasiyo ya kweli juu ya Serikali. Tungetaka wale walioko katika Serikali waseme mambo ambayo wanajua. Lakini kila mmoja wetu anajua mambo zaidi, kwamba Serikali haiwezi kumaliza ufisadi. Hata mtoto kule nyumbani anajua kwamba kuna ufisadi. Hii ni kwa sababu toka siku ile tulisema tumalize ufisadi na Rais Moi akasema asaidiwe, ni watu wangapi ambao wamewekwa jela juu ya ufisadi?

Bw. Spika, kwa hivyo, wakati umefika wa kusema ukweli. Jambo ambalo tunataka ni usalama. Tumesema kwamba utalii umezoroteka katika nchi. Watalii wanakataa kuja hapa kwa sababu ya kutokuwa na usalama lakini si kwa sababu ya mambo mengine. Sisi tunaweza kupigana kisiasa nchini hata tutukanane, lakini watalii wa kutoka ng'ambo hawana haja na jambo hilo. Wakijua kuna usalama watakuja na kukaa katika mahoteli yetu hata **[Mr. Karume]**

zikiwa ni za makuti. Wanakuja hapa kuona wanyama. Kwa sababu ya kutokuwa na usalama utasikia kwamba mtu fulani ameuawa na wenye kumuuwa hawajulikani. Kwa hivyo, ni juu ya serikali kuangalia mambo ya usalama katika nchi hii ili mambo yaendeleo sawa sawa. Kwa mfano, Kenya National Assurance Company, ndiyo ilikuwa kampuni tajiri kuliko nyingine nyingi. Watu wengi walikuwa wanaweka pesa za wafanyi kazi wao huko za pension na hawakulipwa. Hizo pesa zilipotea na wale walizipoteza hawakuchukuliwa hatua yoyote. Kwa hivyo, ni vizuri, hata kama unalipa ushuru, ukichelewa kulipa Income Tax, hata kwa miaka kumi ama ishirini, Serikali lazima ihakikishe hiyo pesa imelipwa. Wale wanaleta sukari na petroli, ni afadhali tumuulize Waziri wa Fedha awadai hao watu walipe hizo pesa. Baadala ya Serikali kukataa kuongezea walimu pesa zao, hao watu lazima

walipe madeni yao yote. Walimu wanafanya kazi ya maana sana. Sasa hao ndio wataumia kwa sababu watu wengine wamekula hizo pesa. Ninawaambia walimu wasikubali kuzungumza tena juu ya mishahara yao kutoongezwa, kwa sababu kama serikali imekubali kufanya kitu, ifanye. Hii ndio sababu ninasema ni vizuri tufikirie vile tutaendesha mambo yetu katika nchi hii, ili uchumi uweze kusimama. Wakati VAT inapanda, hakuna mtu atapata faida, hata akiwa kwa KANU au Upinzani. Bei ya mkate ni sawa kwa kila mtu. Jambo lile tungelifikiria, ni vile wageni wanaweza kuleta viwanda hapa, kwa sababu bila viwanda, vijana wetu ambao wanatoka vyuo vikuu hawatapata kazi. Kama kijana mmoja ameandikwa akiwa na miaka 25 na atastaafu akiwa na miaka 55, atafanya kazi hapo kwa miaka 30, na vijana wanamaliza shule kila mwaka. Kwa hivyo, ningevaliza Serikali ifikirie vile tunaweza kujenga viwanda katika nchi hii yetu, kwa sababu ile taabu kubwa tunapata hapa ni mambo haya ya ukosefu wa kazi. Tunapooonga hapa, watoto wetu wengi wamekaa nyumbani, hawana kazi. Wengine wanaanza kufanya mambo maovu. Wakati umefika ambao Serikali ya Kenya inahitajika ikae chini, ifikirie jambo la kufanya. Yale mambo maovu yanafanywa, Serikale ijaribu kurekebisha. Ninaamini kwamba serikali ikitaka kurekebisha mambo, itachukua siku moja tu. Kama kosa limefanyika, ni lazima lirekebishwe, kwa sababu ya kesho na kesho kutwa. Ni vizuri tufikirie hali ile tutawaacha watoto wetu, na Serikali yetu. Kuna viongozi ambao wanafanya mambo ambayo ukiyaangalia, unashindwa kama atakaa Kenya, au anaharibu na baadaye, atorokee kwenye inchi ingine. Kwa hivyo, ningevaliza Serikali ijaribu kumaliza hayo mambo ya ufisadi na kurekebisha yale mambo yameharibika.

Kwa hayo machache ninaunga mkono.

Mr. Ruto: Thank you very much, Mr. Speaker, Sir. I want to take this opportunity to congratulate the team at the Treasury; the technocrats who have come up with this Budget, which I believe, will definitely turn around the economy.

Mr. Speaker, Sir, this Budget is one of the best. It encourages growth and obviously, if we are able to ensure that this Budget is implemented and that there is enough will, we are certain the private sector will flourish. It is the excessive borrowing that we have had to resort to, the excessive size of the Government, the bloated Civil Service and the excessive wages that we have had to pay, that have wrecked our economy. I am surprised to hear some hon. Members arguing that the Government should retain its work-force, purely on a very simplistic argument that it must safeguard employment. We are not talking about reducing the work-force simply for the purpose of reducing it. The retrenchment will free enough resources to generate employment in the private sector. We should not stick to a simplistic argument that the Government's responsibility is to create employment in its own ranks. I believe the Government should re-arrange its priorities and only concern itself with the core functions. The moment it moves out and starts selling sugar, or starts doing what the private sector can do better, it will be going in the wrong direction.

Mr. Speaker, Sir, I want to support the fact that the size of the Government must be reduced and we must encourage individual initiative. We have to encourage the private sector to play its role. The wage Bill as it is, we are told, especially in the Ministry of Education and Human Resource Development, is in excess of 80 per cent. I was surprised that a former Minister for Education who was well known for articulating certain policies, could turn around and appear to be holier than the gospel itself and indicate that the current problems we are facing are solely the responsibility of others and not himself. Currently, the Ministry of education is the one that has got a very convoluted bureaucracy. When we go back home and check all the way from the grassroots up to the top, it is almost impossible to determine who is supposed to make what decision. There are so many officers at the grassroots, who are not even teaching and they are in the Government payroll and, therefore, inflating the wage bill that is meant for those who are teaching. I think before we start reducing the teachers, we need to look into certain other cadres. For example at the provincial level, I do not understand what all those at the provincial offices are doing. It is possible for the officers at the district level to execute all those duties that are being handled at the provincial level. If you want to follow a case all the way from the locational level, you will follow it up to the division, district and by the time you come to the provincial level, they do not even understand what is going on. Now, imagine what will happen if you have to come to the Ministry headquarters! I think, as a first step, the Government should reduce the work-force to even three senior officers per Ministry, because most of the jobs can be handled effectively at the district level.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, we have identified corruption as one of the major problems in the

growth of our economy. It appears that the Minister for Finance is only concerned about the effects of corruption on revenue collection. The main issue here is that at the critical stage of designing of projects, for example, foot bridges, we find officers coming up with very wild specifications. At the implementation stage, all those specifications are disregarded and a sub-standard job is done. I would like to urge the Minister for Finance to come up with a policy paper on how to tackle corruption in this country. The Minister has come up with a very beautiful paper. I have read through it and noted that at the end of the day there is very little emphasises on the implementation stage. It says that the Government will put in place certain financial controls on the collection and disbursement of revenues. I would like the Minister to pay more attention to the implementation stage of that policy paper because that is a critical stage, which calls for accountability and transparency.

Mr. Temporary Deputy Speaker, Sir, agriculture is the backbone of the Kenyan economy. At the moment, as we speak here, there are people who are selling uncertified maize seeds to farmers. Farmers have planted all sorts of seeds. Attention has to be paid to the effectiveness of the Kenya Seed Company. The Government should appoint those companies which are competent enough to deal with certified seeds. It should not allow "seed brokers" in the rural areas who are mixing chalk with any type of maize seeds and then selling them to gullible farmers. This has led to very poor yields. The Minister for Agriculture should come up with a policy paper on very clear methods of ensuring that only certified maize seeds are sold to farmers.

Mr. Temporary Deputy Speaker, Sir, as regards milk, the Kenya Co-operative Creameries (KCC) and the Government are currently engaged in a hide and seek game, while farmers continue to suffer. The biggest problem that the farmers are facing in this country is non-payment for their milk produce by the KCC. This means that their children cannot go to school and so on. The KCC has continued to hide behind this game of hide and seek because, one day it is treated as a "co-operative society" and in the next day it is a "private company." I would propose that the KCC be deregistered as a private company, so that it operates purely as a co-operative society in order for the Government to put certain controls on its directors. Alternatively, there should be proper ownership structures. At the moment, we do not know who owns the KCC. Farmers cannot attend their annually general meeting in Nanyuki or any other place. The KCC has now become a property of directors. Once directors are elected, they take over the control of the KCC and they cannot listen to anybody else. I would like to urge the Minister for Agriculture---

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

An hon. Member: First, declare your interest in the KCC!

Mr. Thirikwa: Mr. Temporary Deputy Speaker, Sir, I am a director of KCC. Is it in order for the hon. Member to drag matters of a private company in the House? He is saying that milk farmers have not been paid without telling us why they have not been paid.

Mr. Rutto: Mr. Temporary Deputy Speaker, Sir, they have not been paid because the KCC directors, including hon. Thirikwa, have paid themselves three years' allowance in advance using KCC money.

Mr. Thirikwa: On a point of order, Mr. Temporary Deputy Speaker, Sir. Our standing Orders are very clear. If the hon. Member wants us to discuss hon. Thirikwa in this House he should bring a substantive Motion.

The Temporary Deputy Speaker (Mr. Imanyara): I will not allow this to generate into a personal confrontation between hon. Members.

Mr. Maore: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to be among the few hon. Members, who will say a few points against the contents of the Budget for political reasons. The Budget's targeting of the civil servants and the teachers amounts to asking the two largest sections of the population of this country to subsidize mismanagement by this Government. I am saying this for the reason that when somebody chooses to be a civil servant or a teacher, he makes a great sacrifice. We should not allow the Government to treat the reasons why somebody chooses to be a teacher or a civil servant as the same reasons for which somebody joins the Salvation Army. Serving the Salvation Army is expected to be a voluntary service.

Mr. Temporary Deputy Speaker, Sir, I want to be one of the few hon. Members who will express some cynicism, pessimism and scepticism about the entire Budget---

The Assistant Minister for Environmental Conservation (Mr. Maiz): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that the economic mess we find ourselves in is as a result of mismanagement of the Government?

Mr. Maore: Mr. Temporary Deputy Speaker, Sir, I would like to refer the hon. Member to the Oxford English Dictionary, which will show him that the word "mismanagement" is not an abuse. The issue before this House has arisen because for the last five years we have had Budget proposals before this House which hon. Members from both sides of the House have been lauding as good. Now, five years down the line we are being

called upon by a very honest Minister for Finance to realise that we have been pretending and hiding this big "wound" which has resulted from our bad manners.

Throughout the debate on the Budget Speech nobody has wanted to say what created the domestic debt that we have been struggling to settle for the last six years. The current Report of the Controller and Auditor-General shows that there are three items that did create the said debt. In 1992/93, Trade Bank Limited, Post Bank Credit and the Exchange Bank siphoned off from the Central Bank Kshs2,172,000,000, Kshs2,063,000,000, Kshs13,525,000,000 respectively through what was referred to as "overnight lending". Then there was the Goldenberg scam, which was facilitated by Dr. Koinange's letters, and which involved an amount of Kshs5.8 billion. When we add up all these figures, they amount to Kshs24,561,527,000. That is just an example of the bad manners at the Central Bank of Kenya in 1992/93.

In 1994, the same Central Bank of Kenya, through the Office of the President, spent Kshs2,464,265,000 to buy a "toy" in the name of a jet, for the President. As if that was not enough, in the same year, the Government spent Kshs4.5 billion to build an airport in the President's village. Now, the President---

Mr. Sankori: On a point of order, Mr. Temporary Deputy Speaker, Sir. While I do not dispute the figures he has quoted, is it in order for him to call the Presidential Jet a "toy" when it is, actually, a real jet?

Mr. Maore: Mr. Temporary Deputy Speaker, Sir, I agree with the hon. Member's sentiments but, I am also entitled to my opinion. If you cannot afford a necessity, then you should not give it priority. What I meant to say is that those in the Government messed up with the economy and now, they are calling upon teachers and civil servants to bear the consequences of their mismanagement.

As if that is not enough, for the last five years, the debt has risen to about Kshs30 billion. This is the same debt the Central Bank of Kenya tried to mop up in 1993. But it has accumulated and now it stands at Kshs150 billion. These figures were released by the Treasury for public consumption. If this is true, then we should ask ourselves how the original debt was incurred. Some billions of shillings deposited in Trade Bank disappeared with Alnoor Kassam to Canada. The remainder of the money is here with people who helped him escape from the country despite the fact that we have one of the best police forces in Africa. If you look at the rest of it, you will find that there is a big "circus" going on about it. The Post Bank Credit Ltd will never know what happened because, many of the brokers are still in the country.

Mr. Temporary Deputy Speaker, Sir, let us ask those who are asking the teachers to sacrifice their meagre earnings and, civil servants to start living in Komarok--- By the way, the 30 per cent house allowance the Minister for Finance talked about--- A Deputy Secretary earns about Kshs30,000 before taxation. The net salary is between Kshs21,000 and Kshs22,000. Thirty per cent of Kshs21,000 is about Kshs7,000. How many former District Commissioners, because these are the majority of Under Secretaries in the Civil Service, are willing to take the Kshs7,000 house allowance to go and live in a small apartment in Eastleigh, which has been rendered inaccessible through negligence?

Mr. Temporary Deputy Speaker, Sir, we are just not about to get away with the serious shortfalls in our accounting system. The Minister for Finance said that we are experiencing a single digit inflation, yet, if you ask for an overdraft from a bank today to finance a small business, you will be charged an interest rate of over 30 per cent. The interest rate being charged by banks today is not 30 per cent; this is the base rate. They are charging almost 40 per cent. The only business you can finance with money borrowed at this interest rate is that of drug trafficking. There is no legitimate business you can do in this country with money borrowed at 40 per cent interest rate and make profits. If lending interest rates stand at 40 per percent, how on earth will you be able to organise an economy that can experience a single digit inflation? This means that all of us have agreed to be told that we are having a "happy hour" and, this is not true. We are just using a lot of figures to deceive ourselves as a country. Very soon, the country might face the experiences of South-East Asia.

Mr. Temporary Deputy Speaker, Sir, another issue that has not been addressed for a long time, is the creation of millionaires, who migrated into this country as paupers, as late as 1981/82. These people are now some of the richest people in town. We have a problem at Nyayo House. We have said this many times before; that, corruption thrives in the Immigration Department. We have said that the Department's officers are selling Kenya citizenship and work permits at throw-away prices through corrupt deals. The richest civil servants in this county are those in the Immigration Department at Nyayo House, followed by those in the Customs and VAT Departments. If you do not check on these two Departments--- We do not own this country ourselves; it is owned by foreigners who came in without any skills and, it is no wonder that some foreigners are now hawking milk, bread and vegetables. These are some of the basic jobs that we should jealously safeguard.

There is no country in the world where there are liberal immigration rules. If you want to get an investor, you need to set some standards. We do not want a situation whereby every Patel and Shah goes to Nyayo House to get documents and pretend to be investors. We must have a limit to this. If we do not set a limit, then we shall be

auctioning the country. This is an example of some of the mistakes we make and, then come in here to pretend to be in trouble, yet, we are the ones who have brought about the entire problem.

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

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I must thank the Minister for Finance. Despite the many problems the country is experiencing, he has tried to do something to give hope to the people of Kenya; that our country's economy is on the right track. I must, also, take this opportunity to thank all hon. Members of this House for the attention they paid when the Minister was presenting the Budget. Unfortunately, in every village, there are mad men. So, even in Parliament, we have got some errant boys. Let us forgive them.

Mr. Temporary Deputy Speaker, Sir, hon. Oloo-Aringo said very clearly that we in this House must respect ourselves in order for Kenyans to respect us. If we do not respect this House---

Mr. Munyasia On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you not hear hon. Sankori refer to hon. Members of this House as "errant boys"? Is he in order to refer to hon. Members of this House as "errant boys"? Should he not be asked to withdraw the words and apologise?

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Munyasia, I did not hear that particular statement but, it is definitely out of order. Hon. Sankori, did you refer to any hon. Member as an "errant boy"?

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I did not say that. What I said is that in every village, there are mad men. That is the statement I made.

QUORUM

Mr. Nyanja: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am sorry for having to interrupt but, I am afraid that we are debating a very serious Motion. We are discussing finances, development and the future of this country. Do you realise that hon. Nyachae has been deserted by all the other Ministers?

Mr. Temporary Deputy Speaker, Sir, there is no quorum in the House. Thank you.

The Temporary Deputy Speaker (Mr. Imanyara): There being no quorum, I will ask that the Division Bell be rung.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): Order, hon. Members! We now have a quorum.

Proceed, hon. Sankori. But before you do that, maybe you can clarify this. Did you refer to hon. Members as "errant boys"? If you did refer to any hon. Member as an errant boy or a mad man in a village, that is unparliamentary and you must withdraw.

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I withdraw that term and apologise to the House; although we have got some naughty hon. Members.

Mr. Temporary Deputy Speaker, Sir, the issue of security in this country is very paramount. Without security in the country, nothing can move. We are in this Parliament because there is security outside here and in our homes. For us to have a very stable country, security must be checked. The tourism industry died due to insecurity and investors are not ready to invest their money in a very insecure environment. Security is very fundamental to the growth of our economy.

On the issue of corruption, I would like to say that it is no secret that Kenyans are corrupt. Corruption is rampant in Government offices and the issue of blaming the Government or the Opposition for this vice is uncalled for because civil servants are citizens of this country. If the civil servants want to stamp out corruption, they can do it. We should not blame the politicians because it is the duty of the civil servants to say "no" to the corrupt favours of politicians. It is them who should rid the Government offices of corruption. When hon. Nyachae proposed that the Civil Service should be trimmed, I think they should take note of that fact because they are the ones who can stop corruption. It is up to them to stop corrupt practices or they go because there is no way the Government can sustain a Civil Service which is corrupt. Fortunately, we have very able and honest civil servants. Why can the Government not take this opportunity to weed out the corrupt civil servants and leave Kenyans with a clean Civil Service? I was happy to hear the Minister say he has surrendered his extra cars and he is now left with two. That is not enough! The 60 days deadline given to civil servants to surrender their extra vehicles are too many. There are so many cars that are not properly used. For example, a Permanent Secretary has got four cars, a Minister has got four cars, a Director two, the Transport Officer has two cars while Assistant Ministers have none. Surely, it is shameful for an Assistant Minister to be begging for a lift from the Transport Officer of his Ministry. I think the Minister should do something about this. When he will be re-allocating the cars, he should make sure that each and every Assistant Minister is allocated a car.

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Sankori not misleading this House by saying that Assistant Ministers are not given cars when I know that an Assistant Minister in the Office of the President last year, was using a Mercedes Benz as an official car? He even killed a Mr. Nadejo in Nambale Constituency with that car?

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I think that is only like a drop in the ocean.

On the issue of teachers, I do not agree with the Minister when he says he will freeze the recruitment of teachers. There are some remote areas in this country that are short of teachers, for example, Maasailand, Turkana, Isiolo and other districts of North Eastern Province. We do not have enough teachers. It will be very unfair for the Teachers' Service Commission to freeze the recruitment of teachers in those areas. Teachers' recruitment should be done on merit. If an area has got more teachers, the Government can freeze recruitment. In Kajiado District, we have got very few teachers, and teachers from other parts of Kenya are teaching there. After sometime, such teachers go on transfer as soon as they are confirmed and we are left with very few teachers.

Mr. Nyanja: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to complain as a Maasai leader when we know that they evicted teachers of Kikuyu origin from Enosupukia? You can go on crying, but there will be no more teachers for you!

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I am sorry that the hon. Member does not know what he is talking about. I said in some districts we have got a shortage of teachers and more so in Kajiado. I do not come from Narok!

(Loud consultations)

Mr. Temporary Deputy Speaker, Sir, could you please protect me from the naughty boys?

On the issue of water, I would like to say that there is an acute water problem in these arid areas. The Minister---

Mr. Kombo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to refer to hon. Members as naughty boys?

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, they have accepted that they are naughty boys and that is why they are sitting down. That refers to hon. Ndicho and hon. Nyanja!

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir. When hon. Sankori talked about naughty boys, we thought he was referring to the school boys in the galleries up there. We did not know that he was talking about us. Does he really know what he is talking about? We are circumcised men! We are not boys! Can he withdraw that statement and apologise to us?

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, I withdraw and apologise to hon. Ndicho and hon. Nyanja; but the message is clear.

The Temporary Deputy Speaker (Mr. Imanyara): Hon Sankori, I hope your apology also includes the pupils and students in the galleries? I will now give this chance to Mr. Kombo.

Mr. Sankori: Mr. Temporary Deputy Speaker, Sir, but my time is not yet over!

The Temporary Deputy Speaker (Mr. Imanyara): I am sorry, Mr. Sankori. When you sat down, I assumed that you had finished. Just continue.

Mr. Sankori: On the issue of communication, I would like to say that we have got problems in the arid and semi-arid areas. Unfortunately, as hon. Ndilinge has just said, the train does not stop at Athi River and Sultan Hamoud and it is the only mode of transport that can be used along that line. We would be happy if the train stopped between Sultan Hamoud and Mutito Andei. The Minister should make sure that the passenger train stops in all the railway stations. It is unfortunate that after 35 years of Independence, we are still asking our Government to organize itself properly. They should have learnt that long time ago.

Mr. Temporary Deputy Speaker, Sir, I would like to say that the Maasais are not allergic to electricity. When you travel along Mombasa Road, you will notice that on the Eastern Province side, there is electricity while the Rift Valley side has no electricity. The concerned Minister should know that even the Maasais want electricity. They are also educated and enlightened.

With those few remarks, I beg to support.

Mr. Kombo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute on the Budget Speech. The Minister for Finance did have a difficult time. In fact, before he came I was wondering what he was going to tell the House. But like a good newlywed housewife, he came into the House and

the following day it had some semblance of a clean house. Often, a soft Budget leads to many mini-budgets. I hope that the Minister was serious in producing this soft Budget and that he is not duping Kenyans so that in the next few months, they will be shocked by being taxed further like he did in March. The Budget was based on three assumptions as I can decipher. First, that the teachers agreement will be re-negotiated; secondly, that revenue will be collected as required, and thirdly, that there will be political goodwill all through. As far as the revenue is concerned, the Budget did say a few things about the Kenya Revenue Authority (KRA), but I feel that it did not go far enough. In order for the KRA to perform effectively, I believe that it should be completely autonomous. As long as they still report to the Treasury, these poor fellows of KRA will, whenever they are doing their job, get a telephone call from above and they will pull back and not do their job.

We really want proper and, absolute autonomy for the KRA. Secondly, we need security of tenure for the commissioners. We do not want a case similar to Chebii's case, where he was being pushed around because he was doing a good job. If he had security of tenure, such a thing could not have happened. With autonomy, security of tenure and the payment of proper salaries to all the employees of KRA, this will attract quality men and corruption will be minimised.

On the issue of the teachers salaries, which many Members have talked about, it was an agreement signed by the Government. A Government that cannot keep its word is not worth being a Government. The question of re-negotiating these salaries with teachers should be far away from the Government's mind. The Government signed the agreement for political expediency. It was election time and, therefore, since they wanted to get votes, they signed that agreement. However, as bad as it is - and it is bad for the country - I would like to give some advice to this Government that; first, they should apologise to the whole nation for having signed such a bad agreement. They should also apologise to the teachers. Once they have done that, they should look into ways and means of compensating the teachers and not re-negotiating their salaries. There are other ways; they can be compensated in kind if the Government has no cash to pay them. I have in mind, for example, the land that has been grabbed by Members from the Government side around the country. Those properties could be given to teachers at the district level.

Mr. Temporary Deputy Speaker, Sir, you do not need cash, give them land and tell them to develop that land to earn revenue. You can actually monetize the land and give it to the teachers.

Mr. Temporary Deputy Speaker, Sir, the vehicles that we hope will be removed from various departments--- Teachers do have burial and benevolent bodies at the district level. Perhaps, those vehicles could be given to the teachers unions to use in doing their jobs. Again, you can monetize that and make sure that you are not looking for cash there and then.

Mr. Temporary Deputy Speaker, Sir, houses that are being grabbed in Kileleshwa and Upperhill and other places could be monetized and given to teachers. So, there are other ways; you do not have to renegotiate, but you can go to the teachers on your knees, having apologized, and tell them that "we have a way out, we shall monetize these few properties so that we can go ahead and the economy will improve.

Mr. Temporary Deputy Speaker, Sir, the third issue was the goodwill and this one does bother me greatly. Political goodwill is absolutely paramount if what the Minister for Finance proposes is to be achieved. Unfortunately, in the past, this political goodwill has been non-existent. In fact, many of the policies that the Minister for Finance articulated, were already articulated in the Policy Framework Paper of 1998/99. In that document, it was stated that tight fiscal policies would be pursued. What happened immediately the Paper was produced is that Eldoret Airport was built unbudgeted for. The Presidential Jet was bought unbudgeted for. The Bullet Factory was constructed in Eldoret unbudgeted for. What guarantee do we have today that the political goodwill will be there to implement the policies articulated by the Minister for Finance?

Mr. Temporary Deputy Speaker, Sir, yesterday there was a directive that civil servants should hand over Government vehicles within 60 days.

An hon. Member: That is too long!

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, if you have got five vehicles and you are being asked to give up three, why do you need 60 days? You do not drive all the five vehicles! I thought it is an overnight job. This does point out that when we talk about political goodwill in this country, unfortunately, we are talking about one position and that is the position of the Office of the President. That is the goodwill the Minister for Finance needs if he is going to make any headway in his Budget. If it is not there, then we are really wasting our time and his exercise will have been an academic exercise in futility. If the Office of the **[Mr. Kombo]** President is going to provide that goodwill, then we want to see it with immediate effect; like the Minister for Finance gave up vehicles--- We want to see, for example, the Presidential entourage reduced immediately.

We have seen the manpower wasted whenever there is a Presidential entourage. The traffic jam that is caused is really a waste of money---

An hon. Member: And energy!

Mr. Kombo: And everything! When the President moves around in the districts, if he is going to visit Webuye, all departmental heads from Bungoma District and Permanent Secretaries from Nairobi accompany him. To do what? If he is touring an agricultural project, you will find that the Minister for Energy or the Minister for Culture and Social Services is also there! What for?

Mr. Temporary Deputy Speaker, Sir, these are issues that we need to look into if the Office of the President can take the lead then everybody else will follow. We want to see the Office of the President rationalising Ministries as it has been said before. We want to see the Office of the President rationalising districts. As we all know, what has been happening in this country in the creation of districts, is close to what God did, by saying: "Let there be light" and there was light. These days it is said: "Let there be a district" and there is a district. We have so many little districts that waste funds and they are of no value at all. So, unless we rationalise the districts, and, unless we abolish the Provincial Administration totally, then all what we are doing, will not help anybody at all.

Mr. Temporary Deputy Speaker, Sir, with regard to civil servants, I think that to come with a big bang on the civil servants, the way the Minister for Finance have done--- To tell them that: "Today, your salary has been cut---" The man was earning Kshs20,000 and he has got a house, and he is told that he will be paid 30 per cent of his salary as house allowance. What will happen if he lives in Kileleshwa. With salary cut of Kshs7,000, or 30 per cent of his salary, this man is being asked to go and live in Dandora or Korogocho. But, basically, what I am saying is that you are going to put this man into such a stressful position that he will not perform any longer. If he is stressed, then efficiency is gone. This man has got children who go to school, if he still wants to live in Kileleshwa, he has to take part of his salary to pay for a decent accommodation that he is used to. Now you are asking him to reduce his disposable income. What next? He will start stealing! He will be corrupt. So, you are not solving the problem.

I believe that what the Minister for Finance should do is first to find a safety net. As he starts down-sizing the Civil Service, those in the middle cadre should be paid a different salary, then you can expect them to perform. Before he does that, it is wrong for him to go on reducing everything and then destroy the efficiency. Remember, it is those middle level people who are busy working. That is the working group. The top people, the Permanent Secretaries, and other senior people do not work. They spend time busy politicking and fighting to hold on to their jobs. They do not work, it is that middle cadre that is working.

An hon. Member: And campaigning for KANU!

Mr. Kombo: And campaigning for KANU whenever it is necessary! If you talk about Ministers who got away very easily, their salaries should be chopped because at the moment they are not working. They are very busy working on who should succeed who. They are not doing their jobs and yet the people who are working are the ones that the Minister for Finance is targeting and immediately chopping off.

Mr. Temporary Deputy Speaker, Sir, this is a difficult situation, that demands proper thinking, so that as he downsizes the Civil Service, at the same time, he has a safety-net which allows decent salaries for those hard working people. Not all civil servants, especially the middle group, are corrupt. There are good people who want to do a decent job but will be discouraged and stressed under this Budget, and we will not achieve the expected efficiency.

Mr. Temporary Deputy Speaker, Sir, lastly, this year, the economy is in bad shape. Last year it was also in bad shape, although it was manageable. There was a letter written on 30th July, to the IMF telling them that the Government could not agree with their conditions. At first, I thought they were conditions set by the IMF, but later on, I learnt that they were conditions agreed upon between the Government and the IMF, yet the Office of the President did not agree to renegotiate. At that time---

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is misleading the House, that the Office of the President wrote to the IMF saying that the Government would not agree to the set conditions. I would like to deny that there has ever been such a letter and request that the hon. Member produces that letter to the House.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Kombo, I know your time is up, but would you like to Table that letter?

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, this was a matter of public debate in this country.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Kombo, the Minister has categorically denied the existence of such a letter.

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, that is a public relations exercise, he does not want to lose his job.

The Temporary Deputy Speaker (Mr. Kombo): Order, Mr. Kombo! The Minister has categorically denied the existence of a letter from the Office of the President denying to fulfil the conditions set by the IMF. Are you insisting that there is such a letter?

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, why did the IMF withdraw further funding to Kenya?

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Kombo, are you insisting that there is such a letter?

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, it was a matter of public debate.

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Kombo! The Minister has stood up and categorically stated that such a letter does not exist. Do you still insist that it exists?

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, I said that it was a matter of public debate and I believe the letter exists.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Nyachae, are you asking for substantiation?

The Minister for Finance (Mr. Nyachae): Mr. Temporary Deputy Speaker, Sir, I insist that there should be a substantiation. I am only aware of a letter from the Office of the President, addressed to the IMF, confirming the fulfilment of those conditions. I would like the hon. Member to produce a letter telling the IMF that the Government does not accept to continue with the agreed conditions.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Kombo, in view of the Minister's specific denial, do you still insist that, that letter exists? And, will you undertake to substantiate your allegation on the existing letter and produce it before this House?

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

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Ndicho! I am addressing Mr. Kombo! Mr. Kombo, do you want to undertake to substantiate with the production of that letter?

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, I will look for the letter.

Mr. Ndicho: No, I will inform you!

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Ndicho! Mr. Kombo, I have given you until Tuesday, next week to substantiate your allegation by producing that letter.

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir. What hon. Kombo is---

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Ndicho! I will not accept a situation where you purport to tell the House what Mr. Kombo wanted to say, when Mr. Kombo, himself, is in the House. Proceed, Mr. Obure!

Mr. Ndicho: That is why we want hon. ole Kaparo here!

The Assistant Minister for Transport and Communications (Mr. Obure): Thank you Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the Budget Speech. First of all, I would like to congratulate the Minister for Finance for presenting well thought out Budget proposals. To crown it, the Speech was eloquently presented. I am aware that it was prepared against a background of extreme difficult economic conditions.

(Loud consultations)

The Temporary Deputy Speaker (Mr. Imanyara): Order, Hon. Members! Could Dr. Kituyi, Mr. Nyachae and Mr. Ndicho allow hon. Obure to make his contribution?

The Assistant Minister for Transport and Communications (Mr. Obure): Thank you, Mr. Temporary Deputy Speaker, Sir. I am aware that the Budget was prepared under an extreme difficult economic environment and conditions. In my opinion, the Minister has clearly identified and spelt out the problems afflicting our economy today. Namely: The poor performance caused largely by the high interest rates, which in turn were caused by heavy borrowing from local sources, poor state of roads and general infrastructure, insecurity which has particularly affected tourism and corruption which has permeated through our society, and which we must stop.

Mr. Temporary Deputy Speaker, Sir, we all agree that these factors have significantly contributed to the increase of poverty and unemployment in our country. They pose a serious threat to the long-term security of this nation. This is why I strongly believe, that regardless of our party affiliations, we have a duty to do to ourselves and to this nation, to support the bold measures which are contained in the Budget. This is the time we need to close our ranks and work for the good of this country in support of this Budget. This is a major challenge to all of us, and I think, we should face the challenge together as Kenyans.

Mr. Temporary Deputy Speaker, Sir, apart from the various measures which the Minister spelt out, towards alleviating poverty and unemployment, I still feel that full recognition must be taken of the fact that,

poverty and unemployment are a time bomb. I strongly believe that in addition to the various measures taken already and spelt out in the Budget, one of the most effective ways of fighting poverty and unemployment, is to seek ways and means to develop the rural areas of this country, because, that is where 80 per cent or more Kenyans live. I believe, if we were to allocate more funds for development of the rural areas of our country, we would stem the large in-flow of rural urban migration. We will in turn improve the living conditions in those urban areas. For example, we would reduce the crime rate and the rest. Unfortunately, sufficient resources have not been allocated for the development of rural areas in the current Budget. I know that the resources were scarce, but I will urge the Minister for Finance to allocate more resources for rural development in future Budgets. For example, the South Kisii District where I come from, was not allocated even a shilling for development projects in the current Budget estimates. And yet, it is a new district with a population of half a million people.

QUORUM

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. It is unfortunate that the Assistant Minister is making a moving speech when there is no quorum in the House.

Hon. Members: Wacha hayo mambo!

The Temporary Deputy Speaker (Mr. Imanyara): Yes, it is unfortunate that we do not have a quorum in this House. Ring the Division Bell!

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! Now, there is a quorum in the House. Continue hon. Obure.

The Assistant Minister for Transport and Communications (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I was saying that in the current Budget Estimates, no money was allocated for South Kisii District to develop it. In fact, all the projects which were going on in the district were stopped. We appreciate that the Government is determined to reduce the number of projects in the whole country to a manageable level. However, in South Kisii, the Government suspended all the projects, namely water, health, road, power and education for the whole of this year. I know why this has happened, but I would like to ask the Minister for Finance to compensate us in future.

Mr. Temporary Deputy Speaker, Sir, I would like to make some remarks about the *Jua Kali* sector, which is generally regarded as the informal sector. This is a sector which, in my opinion, has scope for expansion. Although it is regarded as an informal sector, time has come when we paid greater attention to it. There are many Kenyans who are engaged in gainful employment in this sector. Go to Gikomba and Ngara areas of Nairobi City, and you will see active Kenyans involved in one form of activity or another. Although resources were scarce this time, future Budgets should consider establishing a fund, or even a bank, to cater for the *Jua Kali* sector. Many of the people in this sector cannot raise sufficient capital to sustain meaningful economic activities. So, they need to be supported. For example, if we had electricity supplied to our rural areas, I believe that the majority of young men, who have attended village polytechnics could be self-employed. This is something which the Minister for Finance should introduce in future budgets.

I would also like to comment on our roads. Roads in the whole country, especially in Gusiiland, where the Minister for Finance comes from - he is an elder and a model in our community, whom we respect a great deal - are in a deplorable state.

An hon. Member: Hon. Members, you cannot blame the Minister for Finance for that!

The Assistant Minister for Transport and Communications (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, we are not blaming the Minister for Finance for the pathetic state in which our roads are today. But I am rather saying that roads in the whole country are in a deplorable condition. Kenyans are very pleased to hear that this year's Budget has allocated more funds for the repair of roads, particularly the rural roads. We are grateful to the Minister for Finance that he has agreed to supplement cess money collected from cash crops for the improvement of roads in rural areas. However, my worry is: Who will manage these funds and be responsible for the improvement of these roads? If the funds will be left to the personnel at the district level, then no tangible work will be done on those roads. I, therefore, want to propose that these funds be managed by representatives of farmers and councillors.

I support the Budget, Mr. Temporary Deputy Speaker, Sir.

Mr. P.K. Mwangi: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity. First

of all, I would like to thank the Minister for Finance for reading a good Budget in this House. However, it did not consider the youth and women of this country.

We are talking about the collapse of our economy. It is only yesterday that I visited my constituency. I met with an old friend of mine, who told me that a Vice-Chairman of KANU in the area is demanding some money from the people of my constituency. The money, the Vice-Chairman says, will be used in buying diesel for a Government tractor bearing registration number GK 28K. What kind of Government do we have in this country? It is worrying to hear that the Kenya citizens who are taxed heavily are being asked to contribute Kshs200 to fuel a Government grader. I am also worried that the same Government is talking about retrenching civil servants when it is employing casual labourers!

Mr. Temporary Deputy Speaker, Sir, interest rates charged by banks in this country are not favourable to both local and foreign investment. Both the foreign and local investors cannot cope with the high interest rates charged by banks in this country. The interest rates are very high and nobody can invest in this country. This situation cannot favour employment and there is no way that we can proceed. I request the Minister to reduce the interest rates. This will encourage investment, and the turnover will be very high. This will improve the economy in this country.

I fail to understand how the Ministry of Public Works and Housing is managed. Before we reduce the teachers, we should reduce the people working at this Ministry. The Ministry awards contracts to contractors. We cannot award contracts to teachers in Government schools.

Mr. Temporary Deputy Speaker, Sir, with regard to corruption, it is in the bones of Kenyans. It should be eradicated. Today, I drove from Makuyu to Nairobi and found that there were about ten police roadblocks. What were they doing if not to disturb the people of Central Province? There is a lot of mismanagement of finances. A country like Kenya should not own a Presidential Jet. Where does the President go to deserve one? If we are to improve the economy of this country, the Presidential Jet should be sold.

With regard to education, we have not achieved what we promised Kenyans during Independence. Many Kenyans are still illiterate. But now, we are talking of reducing the teaching force by 66,000 teachers. We actually need to increase the number of teachers. In Maragwa Constituency, we do not have enough schools. One teacher has a class of 55 to 60 students. There is no way he can manage. We need to increase the number of teachers. We can not talk of reducing them simply because they asked for their salaries. The Government agreed to increase their salaries because the elections were around the corner. The Chairman who chaired the meeting should not re-negotiate the salaries with the teachers. For teachers to agree for re-negotiation, the Chairman must first resign. They should sit with somebody else to re-negotiate their salaries.

With regard to house allowances, the Minister told us that they are to be paid instead of giving out Government houses. The same Government sold Government houses to individuals so that they can be collecting rates. Will the lecturers and other civil servants manage properly, considering the salaries that they are paid? They will be dehumanised and demoralised and nothing will proceed. We will not be able to revamp the economy.

In last year's Budget, the Minister told us that there will be no trade license. But Maragwa people are paying Kshs1,100 to the local government! Maragwa County Council is charging Kshs2,800 for one to operate a shop. The Ministry of Commerce licence goes for Kshs1,100 and the other money is for the trade. The Government must come out and defend the people of Maragwa. They are being charged illegally. This is happening in the whole district. The people there are very bitter. If a vegetable vendor is asked to pay Kshs70 a week for a whole year, and then he/she is asked to pay Kshs440 for an annual licence, it is quite high. Even traders in Nairobi do not pay that much. The women there are very poor and they should be paying very little money. They should be charged less so that they can manage to maintain their families.

With those few remarks, I beg to support.

The Member for Buret (Mr. Sang): Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this chance to contribute to the Motion. I would like to congratulate the Minister for Finance for the eloquent manner in which he read the Budget. I am happy to say that, that was my first time to follow the Budget, and many Kenyans were able to understand what was being presented.

The Minister outlined measures which he intends to take to collect the problems that we are in now. Some of the measures include reducing official cars. The issue of giving cars to Government officers, including Ministers should be scrapped. They should be given loans to buy their own cars. This is because Kenyans have an attitude of misusing public property. I am sure that if a Minister has his own car, he would take care of it. The Government may give them a car allowance.

The Minister also mentioned the question of going to the donors to borrow funds for development. I believe that Kenyans are capable of building their own country, without donor support. The only problem is

corruption, coupled with the attitude of Government officers towards the use of Government property.

Mr. Temporary Deputy Speaker, Sir, farmers have been mishandled and exploited in this country for a long time. But Kenyans, being strong people, have withstood these problems for a long time. But we are almost getting to a breaking point. If the Government does not take into account all the measures which the Minister intends to undertake, we are headed for trouble.

Mr. Temporary Deputy Speaker, Sir, I come from an area where 99 per cent of the residents are dairy farmers. Hon. Members and Kenyans are aware that dairy farmers have not been paid their dues for almost six months. It is unfortunate that some of the directors are hon. Members of this House and they have the audacity to tell us that the Kenya Co-operative Creameries (KCC) is a complicated organisation. It does not matter whether KCC is a private company or a co-operative society; it should pay the dairy farmers their dues on a monthly basis. One of the hon. Members, who is a director, had nothing before joining the KCC, but now he owns four vehicles bearing registration number KAD.

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

Hon. Members: He is making his maiden speech!

Mr. Ndicho: The Member on the Floor is infringing our Standing Orders by discussing the conduct of another hon. Member without a substantive Motion.

(Several Members stood up in their places)

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! There is no rule in the Standing Orders that allows a Member to breach Standing Orders during his maiden speech. But by convention, the Chair allows a Member making his maiden speech to finish with a caution if necessary at the end. Would you allow the hon. Member to continue?

The Member for Buret (Mr. Sang): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for protecting me. Our farmers need to be encouraged. We have always said that agriculture is the backbone of the economy of this country, and yet, there is very little done to encourage our farmers. I would like to appeal to the Minister for Agriculture to visit sugar-cane, coffee and tea zones to impress upon the fact that farmers' contribution to the economy of this country is paramount.

With those few remarks, I beg to support.

Mr. Donde: Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to start by thanking the Minister for Finance for coming up with, such a good Budget although I am not sure whether we will implement those measures if the Accounting Officers and Permanent Secretaries who have no discipline are not checked. I would like to thank the Minister for the frank manner in which he approached economic issues affecting this country. First, he brought to the attention of this country the problems afflicting this country and by doing so it has become possible to discuss these issues openly in the media. I would sincerely like to thank him because our economy has been brought to the focus of all Kenyans and Kenyans can now concentrate on the economy rather than in politics.

Mr. Temporary Deputy Speaker, Sir, I know that by the end of the Financial Year, which we are about to close, the Government would have overspent by KShs20 billion. It is very difficult to convince any Kenyan that such Budget proposals that have been presented before this House by the Minister will stand for the year because this Government has a very poor record of implementing its policies.

I would like to start with what goes on in the Central Bank of Kenya. I think the biggest enemy of this country is our own Central Bank. All the key economic indicators of the economy are performing very badly and the Central Bank has the responsibility of managing most of these key economic indicators like inflation and the interest rates. The interest rates can be described as floating, but at the same time the Central Bank can manage them to levels where investors can borrow and to do business. I, therefore, think that the way the Central Bank has been managed has been very poor and it has been very difficult for the ordinary citizens to go about their economic performance. I would, therefore, appeal to the Minister to make major changes in the Central Bank because most of these problems come from the Central Bank. If they could manage the macro-economics of this country, it would be easier to control the Accounting Officers in the Ministries because most of these Accounting Officers spend freely because the Central Bank is not keeping a closed eye on them. They can easily overspend and go to the Central Bank to issue cheques and then get paid. I think the Central Bank has let down this country so much. The economic situation in which we have found ourselves in is due to the inability of the Central Bank to manage the affairs of the economy. I would, therefore, request that there should be an overhaul of the staff in the Central Bank right from the Governor himself. There is no way the Government would have reached this far if the Central Bank itself was able to control the expenditure of most of these Accounting Officers.

Mr. Temporary Deputy Speaker, Sir, at the moment, most of us who have taken loans to buy [Mr. Donde] vehicles through the National Bank of Kenya are repaying them at an interest rate of 32 per cent. This is an impossible situation for hon. Members because if one takes a loan of Kshs700,000.00, he is expected to repay Kshs33,000.00 per month. This is before you maintain the vehicle and a vehicle worth Kshs700,000.00 is a seven year old car which breaks down very often and its maintenance is very high. I would, therefore, request that something should be done quickly about the interest rates in this country.

I, therefore, request the Minister to look into the interest rates charged by banks in this country because it is impossible, not only for those who want to do business, but also for ordinary citizens to borrow money from the banking institutions. I also request the Minister to request the Central Bank to manage the interest rates. I know, as an economist, that interest rates can still be described as floating while they are slightly being managed by the Central Bank. I would request the Central Bank to quickly arrest the situation so that the country can pick up economically.

Mr. Temporary Deputy Speaker, Sir, I wish to raise the issue of Income Tax. In the Minister's Speech, he raised the minimum monthly taxable income from Kshs6,600 to Kshs7,260 per month. This is not enough. The lowest income at the moment should be Kshs10,000 because with a salary of Kshs10,000 one cannot pay rent, school fees, transport and still save. I would have been happy if the low income bracket was raised to Kshs10,000. Anybody earning less than that should not pay Income Tax. The Minister should review this and if possible, bring a mini-Budget with this ratio increased to Kshs10,000. Most of these low income earners are the most affected because the culture of our people is such that they have many dependants. You will find that most of the low income earners are the ones with most dependants, hence they should have more tax relief.

The Value Added Tax (VAT) was reduced from 17 to 16 per cent. I still find that this is not good enough because it encourages people to evade paying VAT. If the figure was manageable or say it was 14 per cent, most people would not evade paying VAT because the penalty would act as a deterrent measure. I would request that the issue of VAT be looked into. I would have been happy if this was brought to 14 per cent instead of its current level of 16 per cent.

We have the issue of citizens of this country getting value for their money. You find that most of our local contractors perform very poorly. I would urge the Minister to consider giving some of these road maintenance contracts to overseas companies. It is important that when we spend money to maintain our roads, the public appreciates it. For the last 20 years, roads which have been maintained have kept on wearing out within a year or two and we keep on spending more money to maintain them.

An hon. Member: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Imanyara): Your point of order is overruled since the Member on the Floor is making his Maiden Speech. Proceed!

The Member for Gem (Mr. Donde): Mr. Temporary Deputy Speaker, Sir, I would request that some of these contracts be given to overseas companies, so that we can have lasting roads because they will be genuine in repairing the roads according to the standards set out in the tender documents. It has now become so obvious that most of the local companies are so used to corruption that they will never be able to deliver value for money when they are performing their duties on repairing roads and other infrastructure which at the moment are not in good shape.

Mr. Temporary Deputy Speaker, Sir, I would also like to urge the Government to consider spending a little bit of money in other districts which were affected by the *El Nino* phenomenon. For example, in Gem Constituency, most of the roads have been badly damaged and we understand that some money has been provided by the European Union to repair some of those roads that were destroyed by *El Nino* rains. I have noticed that the Government is only concentrating on roads in major towns like Nairobi, Mombasa and so on. I would request the Government to look into spending some of the money on rural roads. For example, there are nearly three bridges in Gem which have been washed away by the *El Nino* floods and most of the roads are now impassable on those areas. I would request the Government to consider repairing most of the rural roads and infrastructure which were destroyed by the *El Nino* phenomenon, especially in my constituency, Gem. We have the Luanda-Akala Road which at the moment is impassable. It is a 29 kilometre road and there is no matatu that is plying along that road at the moment because it is impassable. So, the people including senior citizens have to walk for over 15 to 16 kilometres along that road. It is not very comfortable for the people of that area and I really appeal on their behalf, that although that road is not in the Government programme for repair, I would request that it should be considered under the *El Nino* roads scheme, for which I understand, some money has been provided by the European Union to repair those roads.

Mr. Temporary Deputy Speaker, Sir, I would like in conclusion to urge the Minister for Finance, that in

order for this Budget which to me was well presented and it can get this country out of its present situation, to ensure that the accounting [**The Member for Gem** (Mr. Donde)] officers in the Ministry and the Central Bank work together with an aim of trying to assist the citizens of this country solve their problems.

With those few remarks, I beg to support.

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

Mr. Temporary Deputy Speaker, Sir, to begin with, we are talking about economic development of this country. Kenya has got several provinces and each province has got its own unique contribution to the economic development of this country. It is my belief that if we harness all the entire resources in all these provinces, we can be able to reduce both the domestic debts and, maybe, entirely get rid of all the debts and do without the foreign aid that we are talking about.

Mr. Temporary Deputy Speaker, Sir, I am saying this because Central Province, for instance, has got unique contributions in the form of agriculture and if we deny the people of Central Province that opportunity to contribute, then there is going to be a problem. North Eastern Province has got its own unique contributions. We are a very, very, rich province. The contribution that we should make to the economy of this country, is first, in the form of pastoral farming. Basically we are cattle herders. We have many cattle, goats and camels. If we decide to go on strike and stop supplying Nairobi with our meat, people in Central Province will suffer because they do not have meat there.

An hon. Member: In fact, we will die!

Mr. Affey: Yes, if we do that, you will see there will be an outcry.

Mr. Temporary Deputy Speaker, Sir, I will continue with my contribution since I do not want to be disrupted. If we have to contribute to the development of this country, then we must have a policy to harness the resources in each and every province. We also have enormous mineral deposits which, I believe, should be harnessed and contribute enormously to the economic development of this country. However, the problem that we have had is lack of development on those sectors. So, we would like to appeal to all the Ministries concerned to develop specific policies to make sure that those resources are harnessed for the benefit of the people of that region and, of course, for the benefit of us all.

Mr. Temporary Deputy Speaker, Sir, the biggest problem that we have in North Eastern Province, is in connection with roads and I was glad to hear that the Minister for Finance has set aside some specific funds for the rehabilitation of infrastructure, especially the road system. Funds that were basically coming as a result of the *El Nino* phenomenon--- Even the *El Nino* phenomenon did not do anything to us. It only removed the little that we had. So, we would like to appeal for a road project specifically from Garissa to Manderu to be built with the money that has been given to us by the World Bank and the European Union, instead of taking it to other provinces. In fact, I would suggest that it should be used to construct one tarmac road in North Eastern Province, so that the region can be opened up. Otherwise, we will have this vicious circle of poverty. Everytime, people complain that there is no development or security in that area. So, for once, we would like to appeal to the Government and to the Ministries concerned to pay specific attention to North Eastern Province, so that we have one complete tarmac road and you will hear no problem about insecurity and unemployment. We can take care of all those problems, if only we could have even one good road.

Mr. Temporary Deputy Speaker, Sir, I think the Budget was an excellent one, but it actually forgot to address the specific problem facing the pastoral communities. There was not a single mention about the plight of the pastoral farmers in this country. We want to know the opportunities available to market our meat out of the country, because I know there is an enormous market outside like in the inn the Middle East and Europe. I would like the issue of the pastoralist farmers to be addressed urgently, if we have to eradicate various problems.

Mr. Temporary Deputy Speaker, Sir, I would also like to say one thing about teachers. I am very much against the idea of imposing a ban on the recruitment of more teachers because in the area that I come from, when students were being admitted to these teachers training colleges, there was a deliberate attempt not to admit some of our children to those colleges. There was a deliberate attempt not to construct colleges in my area. We have the first teacher training college that has come up in Garissa after waiting for the last 35 years and we would like to thank the Government for doing that.

I would like to thank the Government for initiating such development. So, I would like to request that those people who are talking about freezing the recruitment of teachers, stop doing so. We want to encourage the training of more teachers and we would like, as a region, to be given more opportunities, so that more of our people can train in those colleges.

Mr. Temporary Deputy Speaker, Sir, if we had the goodwill, all of us, including the Opposition and the Government can stamp out corruption. So, if we stamp out corruption and maximise revenue collection, I think we

shall have no problem in the management of our state affairs and in trying to make sure that all the sectors are doing well. So, I suggest that every Kenyan has a responsibility to make sure that corruption is brought to an end. There has been collective condemnation of state parastatals that have not been performing well. I would like to say that some parastatals have performed very well. I have in mind, the Kenya Power and Lighting Company (KPLC), which has done exceptionally well over the years. There are certain parastatals that have not been doing as well as KPLC. So, when we talk about corruption or poor performance by state parastatals, let us avoid wholesale condemnation. Let us pinpoint the culprits and give credit where it is due, so that those which are doing well can even perform better.

Mr. Temporary Deputy Speaker, Sir, the other issue I would like to mention is about the press. North Eastern Province has suffered as a result of stigmatisation by the press. People have been made to believe that those interested in investing cannot go and invest there. I would like to appeal to the Members of the press to give us the correct coverage and the right perception. We are very rich and respectable people and we do not have much security problems. The only problem there is poor infrastructure. But if you condemn the whole region indiscriminately, you are discouraging investors and even tourists from venturing there. There is even farming potential there because we have enough underground water which can be drilled. The conditions in North Eastern Province are identical with the ones in Israel. If Israel can produce enough horticultural crops for export, why can we not do the same? We would like the press to be kind to us, so that in future, we can be able to be rated at par with other Kenyans. Thank you.

Mr. Kihoro: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to speak in opposition to the proposals made by the Minister for Finance, because I think they are going to be bad for this country at this time in our development, 35 years after Independence. This is because, after listening to the Budget very closely, I found that no single proposal has been made for any investment in this country by the Government. I find that the hawkers who are about 30 per cent of Nairobi's population--- Everybody has become a hawker in Nairobi, apparently--- There is no provision for them and I wonder how the Government is going to co-exist with the hawker in the streets. For how long is violence going to be in our streets because the hawkers are not provided for? I thought sheds would be provided by the Government to make sure that, at least, those people can be able to trade in peace and bring the civil war between them and the City Council askaris to an end.

I thought the Budget proposals would give provision for tourism and security situation to be improved, especially at the Coast. Unfortunately, that has not happened. I feel that the violence that has been going on at the Coast and in the National Parks has been turned on and off at the time determined by the politicians, and that has been very bad for the economy. Only about two months ago, we went to Mombasa and stayed at one of the hotels there. It is incredible that in the hotel, with a capacity of 800 people, it was only the 200 Members of Parliament who were there. That is something the Government should take stock of and certainly, not in the way it was done. After arriving in Nairobi, I heard that the Mombasa conference was of no consequence. The good proposals made there were not taken into account, and a subsequent meeting was called at Mbagathi. The Budget proposals were based on that meeting. We know very well that the Government has three major components in the Budget. Three major components are consuming Government funds, and the first one is the internal debt, amounting to Kshs160 billion. Every month, the Government is spending up to Kshs 3 billion to service that debt. It can be able to raise Kshs3 billion every month to service a local debt which is so huge, that it is not even possible for the Government to pay teachers their rightful salaries. Why has there not been a re-negotiation? Instead of paying for this internal debt at 27 per cent on the Treasury Bills, the Government should reduce expenditure on the servicing of that debt by re-negotiating the high interest rates. It does not have to be 27 per cent. It can be brought down to 15 or 20 per cent! That is blood money for some people here. How do you earn 27 per cent of tax payers' money, because you deposited one Treasury Bill of Kshs50,000? That is what should be re-negotiated. Let those money lenders accept that 27 per cent is too high and from there, we shall be able to raise enough money. That is what should be done, instead of paying Kshs3 billion every month, which amounts to Kshs36 billion every year; that is money thrown to the wind! That is what should be brought down. It is not touching on the teachers alone, but I think it also goes to the Civil Servants.

An hon. Member: It is KShs43 billion.

Mr. Kihoro: Mr. Temporary Deputy Speaker, Sir, I do take that point of information. It is actually Kshs43 billion which is paid every year in form of interests. That is what should be re-negotiated and not the salaries of teachers. So, the Budget, to me, is not acceptable because I find there is no investment on hawkers, tourism or health, and because the Government has abdicated its responsibility, especially in health matters. A Member of Parliament's job every Saturday is to attend fund-raising parties to buy medicine for somebody who is sick and the Government will sit here and say this is a good Budget for Kenyans. It is not at all. Members of Parliament would not be spending their time raising money for patients if we had sufficient medicine in our

hospitals. If we had good investment in education, the MP's job would be reduced by sixty per cent. But now, the Government has abdicated all that--- You ask them, they spent Kshs160 billion, they borrowed that over four years ago. What was it spent on? Now, it is the duty of every Kenyan to tighten his belt, including the fat ones. Well, they can be able to do so, but the ordinary Kenyan has been doing it for too long. So, for me, I do not agree this is a good Budget and it should not be supported, even by those who are on the Government side. There is no provision on youth training. What future are we giving the young people in this country? There is no provision in computerisation in this country to train the youth to use computers. Yes, it is going to happen on paper; we will talk about it through the years, but that is not actually happening. The sum total of what is happening now is a reduction in the Civil Service and reduction in the number of teachers. Teachers have now become the villains damaging our economy! That is what we are being told, but that cannot be the case. So, for me, I am not for the re-negotiation of the teachers salaries. Mine is for the re-negotiation of the Treasury Bills that have been raised by the Government at such a very high interest rate.

I would also like to comment on public assets that have been accumulated in this country by Government managers in the past, and they are now being under-priced. I got one case from Machakos, where a Government house was condemned and sold for only Kshs150,000. The amount of money that the new landlord is going to ask from the rental of that house, will repay him in six months only. That landlord, created by the Government, is asking for money that is going to make him recoup his investment in a very short time. That is anathema. That is anathema. It is unfortunate that public property is being looted by certain politicians from that side of the House. This is meant to make sure that a few politicians, who have made things bad for our people, get rich quickly. So, what is the sum total of what we are talking about? I will give you some figures to show you where we have been taken to by the Government over a period of 15 to 20 years. You will see where we have been taken by what I refer to as "Nyayonomics". Nobody should take any offence when I say this is a product of "nyayonomics". In 1962, the life expectancy of a male Kenyan was 42 years. In 1989, it was 59 years and today, it is 52 years. You can expect to die earlier if you are a man living in Kenya. For a female Kenyan, in 1962, life expectancy was 49 years. In 1989, it went up to 63 years. Presently, it is only 54 years. Therefore, you can expect to die earlier when you are living in Kenya. What is the average life expectancy of Kenyan today? It is only 53 years. It is a tragedy that when we are preparing to go into the next century, the Government has been able to curtail the life expectancy of an ordinary Kenyan by nearly seven years. That is the mortal danger that we confront today. My proposal would be that, this Budget be looked into again. Even we, in the Opposition, should be called upon to make our input to it.

Mr. Rutto: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to mislead this House by saying that the Government has reduced the life expectancy of Kenyans, and yet, this has been caused the tribal clashes that have been caused by the likes of hon. Ndicho?

Mr. Kihoro: Mr. Temporary Deputy Speaker, Sir, the point is that the life expectancy of an ordinary Kenyan has declined in the last 15 years. It has declined when this Government has been in power. So, it cannot pass the buck to anybody else. I talked about the clashes in Mombasa---

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am sure you have heard the hon. Member trying to disorient hon. Kihoro who is contributing very effectively. He has said that tribal clashes in this country have been caused by hon. Ndicho. I have never instigated tribal clashes in this country. Could the Chair order the hon. Member to withdraw that remark?

The Temporary Deputy Speaker (Mr. Imanyara): Order! On this, I do agree with hon. Ndicho. I did hear hon. Rutto refer to Mr. Ndicho in connection with the tribal clashes. Could you please kindly withdraw that and apologise to the House?

Mr. Rutto: Mr. Temporary Deputy Speaker, Sir, it is on record that hon. Ndicho was taken to court for incitement. I want to substantiate that hon. Ndicho was taken to court for incitement.

The Temporary Deputy Speaker (Mr. Imanyara): You want to substantiate that hon. Ndicho was involved in the tribal clashes that rocked some parts of this country? You will withdraw your remarks that hon. Ndicho was responsible for the tribal clashes. You can only discuss hon. Ndicho on a substantive Motion. Could you kindly withdraw those remarks and apologise to the House?

Mr. Rutto: Mr. Temporary Deputy Speaker, Sir, I withdraw and I apologise.

Mr. Kihoro: Mr. Temporary Deputy Speaker, Sir, the last point I would want to make---

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Kihoro! Unfortunately, your time is up.

Mr. Wamae: Mr. Temporary Deputy Speaker, Sir, I am sorry that my friend, whom I respect very much, did not manage to complete his contribution.

I would like to say that this Budget was a very difficult one to prepare when you look at the circumstances under which it was prepared. The state of our economy is deplorable and we are going through difficulties. It is a Budget which I think a lot of thought went into. But, I wonder whether this Budget will be possible to be implemented. It could end up as a good public relation exercise.

I do not see how the Government is going to get away from the agreement they have with the KNUT. They went into the agreement over teachers' salaries with an open mind. The Government formed a committee of three senior Government officers, namely the head of the Civil Service, the Permanent Secretary to the Treasury and the Solicitor-General to negotiate with KNUT over teachers' salaries. The President agreed that the Government could pay the salaries agreed upon. Unless, that was a KANU ploy to win the last general election, then I do not see why the Government should not pay teachers. Now, the Government is saying that, it is not able to honour the agreement. This means that somebody miscalculated and misled the Government and he must be held responsible for this very serious dilemma in which the Government finds itself in. If the Government is going to spend Kshs57 billion in payment of salaries only, out of the total revenue of Kshs160 billion, then I do not see how it will operate. Therefore, this Budget is dependent on teachers not getting an increment as agreed upon. I do not see why the Government should not implement whatever was agreed upon with KNUT. If the Government honours other agreements, why does it not want to honour this one? If they dishonour this agreement, it should also dishonour other agreements with international donors and denounce its agreement on Treasury bills interest, which the Government agreed to pay at the rate of 27 per cent. Why should teachers forego what they have already been awarded?

Mr. Temporary Deputy Speaker, Sir, this country is lucky that we had a meeting at Mombasa. It is the Mombasa meeting which made the Government to open its eyes. It is the Mombasa meeting which made the Government to convene a meeting at Mbagathi. There would have been no Mbagathi meeting if we did not have a meeting at Mombasa. All that somebody wanted to do was to see himself chairing the meeting. But the resolutions were the same in both meetings.

The Assistant Minister, Office the President (Mr. Angwenyi): On a point order Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House by saying that if there was no Mombasa meeting we could not have had the Mbagathi one? I thought that we are now talking in unison in order to tackle the economic problems in this country. There should be good will from both sides of the House.

Mr. Wamae: Mr. Temporary Deputy Speaker, Sir, that is not a point of order but an argument. He was trying to raise an argument. He has been here long enough to understand what a point of order is. I said that the Mombasa meeting is the one that triggered the Mbagathi meeting. That is why we are all here to try to see in a better light, how we can solve the economic problem facing this country. The economic problem is immense. It needs tightening of belts by all Kenyans. The Government has to tighten its belt more than anybody else in the country. I do not even think that Permanent Secretaries and Ministers should have two cars each. They cannot drive two cars at the same time! I think that is too much. They only need one car because that is enough for them. They should have only one car and another car for each Ministry in a pool. But when we say a Minister and a Permanent Secretary will have one car each and another on stand-by, that means between a Minister and his Permanent Secretary, there will be four cars. They should have one car each and one car for both of them on stand-by in a pool.

The Assistant Minister for Finance (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is misleading this House because the Minister stated very well that a Permanent Secretary will have only one car.

Mr. Wamae: Mr. Temporary Deputy Speaker, Sir, from my own understanding, those people who are entitled to cars are supposed to have two of them. If they have now revised that to one, let the whole country know that a Permanent Secretary is entitled to only car because we had understood that they would be entitled to two cars. If we are tightening our belts, then, Ministers also should be entitled to one car. We have got to sacrifice. We also know that the Ministers and Permanent Secretaries are entitled to unlimited mileage.

Mr. temporary Deputy Speaker, Sir, in an effort to ensure that some people did not vote during the last General Elections, a systematic plot was hatched to kill tourism through the Likoni clashes. Now, Kshs28 billion in foreign exchange is at risk. Tourists are not there in Mombasa and hotels are empty. As a result, nearly 60,000 workers have been sacked in Mombasa and many other parts of country where tourist hotels are found. More workers will continue to be sacked because there is no business. Most of the hotels in Mombasa are between 10 per cent and 25 per cent full when they should be between 50 per cent and 60 per cent full. At this rate, every hotelier is losing money. With bank interest rates at 35 to 36 per cent, it is going to be very difficult for them to survive and the Government must come out to rescue the hotel owners and tourist establishments. The problem is enormous and the Government, after creating the problem, cannot now leave it to owners of tourist

hotels to solve it.

Mr. Temporary Deputy Speaker, Sir, we have got the Catering Levy fee at 2 per cent levied on all turnover on tourism. When tourism was good and had Kshs28 billion turnover, the funds from this levy amounted to Kshs560 million. We cannot be convinced that, all that amount of money goes towards the running of Utalii College. Utalii College students must also participate in the cost-sharing exercise like trainees in other colleges such as the medical training schools and the teachers training colleges. Therefore, most of that money should be used by the Tourism Promotion Board. They should use most of that money to promote tourism. We should also be able to work out with the European Union member states who are helping us with trust funds and other things to find a mechanism for promoting tourism in Europe and other countries. We have to do this, even if it means closing our tourist offices which have been doing very little in promoting tourism. The officers there should be replaced by people who know what tourism is and how to market it. This is a very serious issue.

Mr. Temporary Deputy Speaker, Sir, the Nyayo Tea Zones Corporation is a failure like all other Nyayo projects and it should be given to the poor. The farms should be sub-divided and given to the poor people to run them. Presently, money is being given to the Nyayo Tea Zone Corporation and it is a waste of national resources.

It should be given out to poor people on loan basis who can then pay over a given period and contribute to the economy of this country. The small-scale tea farmers should be helped to get rid of the KTDA. The KTDA is a company owned by middle men and now, I hear that they want to establish an association for small-scale tea growers. I think we should stop confusing the tea farmers. The peasant farmers can organise themselves and run the factories. Let them operate the factories the way they know best. They are responsible enough. When we hold on to these monopolies like we held on to the KCC, eventually we will come to regret it. We ought to liberalise early enough and let the farmers establish themselves. If private owners of tea factories can run them and pay Kshs14 per kilogramme of green leaf while the KTDA cannot pay farmers at such rates, they should give up and let the farmers run the factories and market their produce without interference.

Mr. Temporary Deputy Speaker, Sir, if KTDA cannot pay the farmers, it should give up and let the farmers themselves run their factories without interference. We do not want KTDA to be holding money for the farmers and paying it after 12 months, calling it "bonus." They are not giving any bonus, this is money for the farmers which they have been keeping. They cannot say that they are keeping it to pay bonus to the farmers.

Mr. Temporary Deputy Speaker, Sir, lastly, I would like to touch on the question of local industries. It took us many years to establish local industries in this country. The local industries we established are now being destroyed because of two reasons. Firstly, we have made it the area where to employ people who have been rejected somewhere else. They are made managers of those parastatals or companies owned by the Government. Those parastatals are all collapsing and, as President Moi said the other day, those which have been privatised have become profitable all of a sudden. This is because there is not much stealing as before. So, let us look at the question of protection of the local industries.

With those few remarks, I support the Budget.

Mr. Githioni: Thank you, Mr. Temporary Deputy Speaker, Sir. At last, I have got a chance to air my views. I would first start by saluting the Minister for Finance for having read this year's Budget. In actual fact, I did not think that he was going to be able to read the Budget, under the circumstances of the tattered economy.

Mr. Temporary Deputy Speaker, Sir, as concerns the importation of secondhand vehicles, I find the Government to be very unfair because most Kenyans today are driving secondhand imported vehicles. It is not that they want to drive secondhand vehicles; everybody would like to drive a new car, but because of poverty, they cannot afford. The Government has created a lot of poverty in the country, to an extent that, even most hon. Members cannot afford new cars. They are all buying "mitumba" or secondhand cars.

Even on clothing, people in the countryside are all buying secondhand clothes. So, I feel that the Budget should be revised in as far as secondhand cars are concerned. Most of the matatu owners are buying the Dubai and Japanese secondhand vehicles, hence contributing enormously to the economy of this country. They should be given a chance to do so. Tax should be increased on new vehicles only. A person who can afford to buy a brand new Mercedes Benz and pay tax for it, should be taxed heavily because he can afford. But the one who is buying a secondhand vehicle, is doing so because of poverty and he cannot afford to buy a new car. About half of the hon. Members here own "mitumba cars"; I have seen their cars out there and, they are all "mitumba" or secondhand, because they cannot afford new ones. So, this is an issue that should be taken seriously and, I can see the Minister for Finance laughing. He should take note of that. Taxing those people who are buying secondhand cars at Kshs60,000 for a six year old car, is actually punishing the people. They are going for those secondhand cars because they cannot afford anything new.

Mr. Temporary Deputy Speaker, Sir, on the re-negotiation of teachers' salaries, I think the Government is very unfair. Some teachers are earning as little as Kshs3,000 which is equivalent to a lunch for one Minister for

one day. It is actually unfair because what does the Government want to give those poor teachers? Even a maid is earning Kshs1,500 with accommodation, free water and any other facility she or he enjoys. We are reducing the teachers to the status of maids. It is unfair to re-negotiate the salaries for teachers. We should agitate those teachers to go on strike if their salaries are going to be reduced. Most of them have no other sources of income. The only source they have is the salary and that is a salary that had been negotiated. The committee sat down and agreed on what a teacher should be paid. To say that the salaries of teachers should be re-negotiated is a big abuse. There should be no teacher who should go to class if the proposal for re-negotiating the teachers salaries is going to be implemented. The teachers are suffering and they are even living in mud houses in the countryside because they cannot afford to build permanent houses. Most of them are living in poverty, they cannot even be able to dress properly and yet we say that we want to re-negotiate their salaries. That is an abuse to teachers.

Mr. Temporary Deputy Speaker, Sir, as regards infrastructure, I would like the Government to think seriously about roads, particularly in Nyandarua District, where they are in a pathetic condition. Right now, we are telling voters to contribute money to buy fuel for Government tractors. This is because we are almost getting landlocked.

The Temporary Deputy Speaker (Mr. Imanyara): Order! Sorry, Mr. Mwangi, it is time for me to interrupt the business of the House.

Under the new rules, you are aware that Standing Order No.20(a) says:-

"A Member who wishes to seek leave to make a statement under this Standing Order shall before one O'clock on the day the statement is made, through his Party Whip hand to Mr. Speaker a written notification of the matter he wishes to discuss, and Mr. Speaker shall refuse to allow the claim unless he is satisfied that the matter may properly be discussed in the House. If Mr. Speaker, is so satisfied, Mr. Speaker shall inform the Party Whip accordingly, and the Party Whip shall notify the relevant Minister(s) of the matters to be raised before four O'clock of the same day."

I would like to announce that by 12.00 noon, certain Ministers had been notified that there will be statements from Messrs. Maitha, Wamae, Mboko, Mwiraria and Oloo-Aringo. It is now time for me to call upon hon. Maitha.

PERSONAL STATEMENTS

DEATH OF MESSRS. MANGOME AND HAMAD

Mr. Maitha: Mr. Temporary Deputy Speaker, Sir, I would like the Minister of State in charge of security to come and make a statement on how police are killing innocent people at the Coast. On Wednesday 27th, 1998, police who were on patrol killed Mr. Simeon Kiti Mangome at Kaloleni, Giriama. The family members have been going to see the police, and in fact, demanding a post mortem report, but the police have refused to do that. The family members are not being told why the police have refused to do so.

Mr. Temporary Deputy Speaker, Sir, a Mr. Ali Hamad was also shot and killed at Mtondia in Kilifi District on 29th May, 1998. He was taken to Kilifi District Hospital and later died. Family members even took a Mr. Livingstone Kitsao Keah, who witnessed the shooting of this teenager to the police station to record a statement, but the police have refused to record the statement or carry out a post mortem. I would like the Minister to give a Ministerial Statement on why those two people were shot and killed, yet the police have refused to divulge any information or assist the families and their relatives.

The Assistant Minister, Office of the President (Mr. Angwenyi): Mr. Temporary Deputy Speaker, Sir, it is the policy of the Government and the police force not to shoot or maim an innocent citizen. I would like to request that the Ministry be given time, until next week to give a proper statement on the issue.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Maitha, you will get a Ministerial Statement next week. Mr. Wamae!

STATUS OF AT&H

Mr. Wamae: Mr. Temporary Deputy Speaker, Sir, I would like the Minister for Finance to make a statement with regard to African Tours and Hotels Limited.

About a month ago, the Minister for Finance made a statement in this House to the effect that African Tours and Hotels was going to be put under controlled receivership by the Kenya Commercial Bank, because it

was insolvent. Nothing has happened since then, but damage to African Tours and Hotels has already been done. At the moment, no local or international tour operator is willing to negotiate with AT&H because they are supposed to be under receivership. If AT&H is not going to be put under receivership, the Minister should say so, to enable them negotiate with other tour operators elsewhere and manage their business normally. I hope the Minister will make the statement after consultations with the Minister for Tourism.

The Assistant Minister for Finance (Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, I have taken note of the Statement by the hon. Member. I would like to request that the Minister be given adequate time to respond to the Statement.

However, it is worth noting that a company that is put under receivership is able to operate. The African Tours and Hotels is not under receivership. Even if it were, it would be able to operate. All stakeholders in the business community would know that the purpose of putting a company under receivership is to enable it to operate when it is in problems. Any talk of receivership should be a form of reassurance to the business community.

OFFICIAL LANGUAGE FOR EMPLOYMENT

Mr. Mboko: Mr. Temporary Deputy Speaker, Sir, my personal Statement is directed to the Ministry of Labour. I would like the Minister to clarify the language that should be used. There are employers who discriminate on the question of language, tribe, colour or religion. There are some employers who advertise that the people they want should be hindu and fluent in Gujarati. So, could the Minister clarify this issue?

The Minister for Lands and Settlement (Mr. Ngala): Mr. Temporary Deputy Speaker, Sir, as the Leader of Government Business, I would like to assure the House that the Minister for Labour will be informed of the Personal Statement accordingly. Therefore, he will come to give his Statement next week.

CORRUPT TRAFFIC POLICEMEN IN MERU

Mr. Mwiraria: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I would like to ask the Minister of State, Office of the President, in charge of Internal Security, to take action on a matter of serious concern, concerning the behaviour of traffic policemen in Meru, and I suspect in the whole country. The police in Meru have established check points - I would not call them roadblocks because they just stand beside the roads - and as vehicles drive by, they stop all the matatus, pick-ups, lorries and a few cars.

Previously, the Traffic Police used to charge matatus and bus operators KShs20 for the so-called road toll, but now the toll has gone up to KShs50 for each bus. The tragedy is that the police are working in shifts. The first shift begins from 6.00 a.m. to Noon. The second one takes off from noon with a different team of officers who also demand their share from the matatu operators. There are six road blocks from Meru to Maua and for a matatu to travel from Meru to Maua, the operators pay KShs300 for one way and the same amount when coming back, totalling up to KShs600. If we multiply KShs600 by three shifts, it amounts to KShs1,800. The matatu owners are not making any profit at all, but they are working for the police. As a result, last Monday, all the matatu owners operating on the Meru-Maua route went on strike demanding action against these corrupt officers. I would like the Minister to make a Ministerial Statement clarifying the Government's position on this matter, because not only are matatu owners being rendered poor, but they cannot maintain their vehicles. Countrywide, we notice that there are too many accidents because most of the vehicles are unroadworthy. Could the Minister take action to stop this practice and instruct the police to do their duty of ensuring that vehicles are roadworthy and safety standards are adhered to, to minimise the constant accidents?

The Assistant Minister, Office of the President (Mr. Angwenyi): Mr. Temporary Deputy Speaker, Sir, I would like to seek the indulgence of the hon. Member to give us time to issue a proper Ministerial Statement next week. As all hon. Members may be aware, the Government is concerned with both low and high level corruption. This is one of the areas of low level corruption which is hurting the public.

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, the purpose of complying with these rules sometimes is to give the Minister time. Before I ask hon. Aringo, I know that Mr. Munyao has been complaining that a question he raised in this House has not been answered. So, I will allow him to raise that issue now before I call upon hon. Aringo.

MISMANAGEMENT OF PUBLIC FINANCES

BY THE TOWN CLERK

Mr. Munyao: Thank you, Mr. Temporary Deputy Speaker, Sir. Two weeks before the House went on recess, I rose on a point of order seeking a Ministerial Statement from the Minister for Local Authorities on mismanagement of public funds at Makueni County Council by the Town Clerk and other officials. I laid a document to support my allegation and the Minister himself promised the Chair that he was going to carry out investigations, and then make a Ministerial Statement to the House. To date, that promise has not been honoured.

I am happy that the Chair is going to remind the Minister to honour his promise to the House.

The Temporary Deputy Speaker (Mr. Imanyara): I am sure the Leader of Government Business has heard the sentiments expressed by hon. Munyao.

ESTABLISHMENT OF A TRUTH AND
RECONCILIATION COMMISSION

Mr. Aringo: Thank you, Mr. Temporary Deputy Speaker, Sir. On 29th April, 1998, this Eighth Parliament passed a Motion asking the Government to set up a Truth and Reconciliation Commission to investigate ethnic violence and establish the causes and recommend permanent solutions. The Government obviously put a spirited campaign against the Motion, but the House overwhelmingly passed this Motion. This Motion reflected the wish and desire of Kenyans for reconciliation as the first step towards economic reconstruction. Therefore, the purpose of my question is that Parliament, as the supreme organ of this country, has demanded certain action from the Government.

Mr. Temporary Deputy Speaker, Sir, there has been continued deterioration. The hon. Member for Nyeri made it a little bit easier, by saying that the so-called ethnic violence is switched on and off and yet, it is undermining not only politics but the economy. I would like to know from the Government what steps they have taken to implement the Motion on the establishment of the Truth and Reconciliation Commission. I would like to remind the Minister that in

my right, I had asked to bring to the House a Bill that would make a provision for an Act of Parliament, but I have now been advised that under the Commission of Enquiries Act, we can actually set up that Commission in the same way we set up the one that inquired into the conduct of Mr. Charles Njonjo and the one that enquired into the brutal assassination of my good friend, the late Dr. Ouko. Indeed, we can actually act on that. But if we are genuinely serious, we first must restore peace and stability. We also know that the perpetrators of ethnic violence are basically tribal hegemonists who want to impose a hegemony against the will of Kenyans and they must be stopped.

Mr. Temporary Deputy Speaker, Sir, they are like the late Habyarimana who personally was cultivating hegemony in Rwanda. Let me finish because this is an important issue. The late Habyarimana destroyed the country because he wanted to promote hegemony in Rwanda. We must not repeat this here in Kenya.

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister, Office of the President (Mr. Angwenyi): Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to state that there is no doubt that the Government seeks reconciliation in the country. It wants to have harmony in the country and that is why, in fact, the President has decided to co-operate with other parties in this Parliament, so that we can have a harmonious country.

Mr. Temporary Deputy Speaker, Sir, when this Motion was passed, we were just going for recess. I think what we are going to do is to go over it and next come back with a proper and complete statement.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, it is now time for interruption of business. The House is, therefore, adjourned until Tuesday, 23rd June, at 2.30 p.m.

The House rose at 6.50 p.m.