

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 22nd April, 1998.

The House met at 2.30 p.m.

*[Mr. Deputy Speaker in the Chair]*

PRAYERS

### PAPER LAID

The following paper was laid on the Table:-

The Seventh Report of the PIC, Volumes 1 and 2

*(By Mr. Kapten, on behalf of  
the Chairman of the PIC)*

### NOTICE OF MOTION

#### ADOPTION OF THE SEVENTH PIC REPORT

**Mr. Kapten:** Mr. Deputy Speaker, Sir, on behalf of the Chairman of the Public Investment Committee, I wish to give Notice of the following Motion:-

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

### ORAL ANSWERS TO QUESTIONS

*Question No.016*

#### DISCIPLINARY MEASURES AGAINST ASSISTANT CHIEF

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

(a) If he was aware that on 7th April, 1997, the assistant chief of Nyachichi Sub-Location in Kitutu Masaba allegedly demanded and received Kshs400 each from the following widows: Annah Ankobah, Pauline Omurwa, Teresa Omosa, Jane Manoti, Rose Cosmas, Eunice Momanyi, Gladys Moturi, and Teresia Michira, purportedly to be allowed by him to brew traditional liquor for sale; and,

(b) whether he could investigate this corruption by the Assistant Chief and take necessary disciplinary and legal measures.

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

(a) I believe that the hon. Member for Kitutu Masaba is very thorough in his investigations, but I regret to advise that I am not aware of the chief taking money from these particular individuals. (b) Investigations have been instituted and when we do get the full report we will certainly take the appropriate action.

**Mr. Michuki:** On a point of order, Mr. Deputy Speaker, Sir. Is it correct for the Minister to refer to an entirely different person other than the person relevant to the Question? When he talks about a 'chief', he is talking about an entirely different person. Can he tell us whether it is the assistant chief who received the money or the Chief?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, that is fairly irrelevant. It is the assistant chief, as mentioned by

the hon. Member for Kitutu Masaba.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I am grateful to hon. Michuki who knows the difference between a chief and an assistant chief, as I believe he was one, once upon a time.

*(Laughter)*

Mr. Deputy Speaker, Sir, it was very honourable to be a chief, particularly in the colonial days. It is a little unfortunate that the Minister who is answering this Question is also new, both in the House and in the Ministry, and he may not know the history and the saga of chiefs in Kitutu Masaba in general, and this particular Assistant Chief. Before I put forward the next question I would also like to inform him since he said that he expects to be

informed. This assistant chief did, in fact, also murder an innocent member of the sub-location. The matter was raised in this House, an inquest was supposed to have taken place, but even now, nothing has been done to this assistant chief. If the Minister is not aware of this particular matter, then I want to make him aware by laying on the Table of this House a document which has this assistant chief's signature; assistant chief, Nyatike Sub-Location, Kimera Location, dated 7th April, 1997, and the eight names of the widows are listed. The assistant chief has inserted the figure against each of their names. Originally, the figure was Kshs200 but he has cancelled that and has made it Kshs400.

When this document was handed to the victims, my people in Kitutu Masaba were very concerned. They wrote to me saying that, that is money that the assistant chief demands from widows in Kisii for making the local brew. These widows make the local brew in order to educate their children with the proceeds obtained from the sale of the brew. This document is from the residents in the sub-location. Now that the Minister is aware of the matter, what does he have to say?

I beg to lay this paper on the Table.

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

**Maj. Madoka:** Thank you, Mr. Deputy, Speaker, Sir. As I did say, I know that hon. Anyona is thorough. I will take the document, since he has provided that evidence, and we will carry out our investigations and report accordingly.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, this is a very serious matter because, as I said, this assistant chief is also a murderer. There is another case of that kind pending. So, it is not a matter that we can take lightly. Would I then be in order to request the Chair to defer this question so that we can get a proper and full answer about both this matter, and, if possible, a response to that other case of murder? Thank you.

**Mr Deputy Speaker:** Hon. Madoka, do you feel inclined to come back to the House with a better answer, now that you have been given additional information?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, it is quite in order. I am prepared to do that.

**Mr. Raila:** On a point of order, Mr. Deputy Speaker, Sir. The Ministers are supposed to carry out investigations before they come into this House to answer questions. This is an ordinary Question; it is not a Question by Private Notice. In other words, the Ministry received this Question a long time ago and the officers concerned have had sufficient time to carry out these investigations. Is the Minister in order to come before this House and then say, now that he has been provided with evidence by the hon. Anyona, he is now going to carry out thorough investigations?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, I think I am perfectly in order because all I am saying is that I now have that extra information which will help us carry out our investigations.

*(Question deferred)*

*Question No.018*

LACK OF ESSENTIAL FACILITIES  
AT CHUKA HOSPITAL

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

(a) if he is aware that Chuka District Hospital has no surgical, radiography and laundry services; and,

(b) if the answer to (a) above is in the affirmative, and since these services are essential for any medical institution, what arrangements the Ministry has made to ensure that the services are provided as a matter of urgency.

**The Assistant Minister for Health** (Mr. Criticos): Mr. Deputy Speaker, Sir, I beg this House to allow me to answer this Question on Tuesday, since I am totally dissatisfied with the answer that I have been given. If the hon. Member could bear with me until Tuesday next week---

**Mr. Deputy Speaker:** Hon. Mutani, what is your reaction to that?

**Mr. Mutani:** Mr. Deputy Speaker, Sir, I was also wondering whether the written reply I had been given was right, because I do not know which equipment the Minister wanted to purchase at a cost of K£20,000. He should, therefore, get well prepared.

**Mr. Deputy Speaker:** Very well! Next Question!

*Question No.035*

CANCELLATION OF KCSE RESULTS

**Mr. Shidie** asked the Minister for Education and Human Resource Development:-

(a) if he could explain under what circumstances the 1997 Kenya Certificate of Secondary Education Examination results for Garissa High, County High, North Eastern Province Girls and Umma Salama Girls schools were cancelled;

(b) if he is aware that the blanket cancellation of the Kenya Certificate of Secondary Education Examination results have affected more than 360 students, the majority of whom are innocent and their long-term dreams and ambitions in life nipped in the bud; and,

(c) in view of the above, if he could urgently order the remarking of the exams and release the results thereof.

**The Assistant Minister for Education and Human Resource Development** (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The 1997 KCSE examination results for Garissa High School, County High School, North Eastern Province Girls and Umma Salama Girls schools were cancelled because, all the candidates, except seven, were involved in collusion during the examination.

(b) The results were cancelled for all those candidates where evidence of cheating was established.

(c) Since the cancellation of the results was based on an irregularity contravening the Kenya Examinations Council regulations, I cannot order the remarking and subsequent release of the results.

**Mr. Shidie:** Mr. Deputy Speaker, Sir, the students did the examinations, and then results for 360 students were cancelled. I do not believe there was any reason whatsoever the results to be cancelled. If anything, innocent students were victimised because there was a misunderstanding between the invigilators and the headmasters of the schools. This is tantamount to blanket victimisation and academic genocide. Could the Assistant Minister release these results?

**Mr. Awori:** No, Mr. Deputy Speaker, Sir. I will not release any results except those that have already been released. There were 375 students, 368 of them cheated and could not, therefore, get their results.

**Mr. M.M. Galgalo:** Mr. Deputy Speaker, Sir, students are not responsible for security of examination papers. It is the education office, the headmasters and the Government. Therefore, if the examination was leaked, it was leaked by the officers of this Government. What action will the Assistant Minister take against those who leaked the examinations as alleged by the Kenya National Examinations Council?

**Mr. Awori:** Mr. Deputy Speaker, Sir, in the first place, it does not matter whether the examination was leaked by officers; the fact remains that the students cheated. Therefore, they must face the consequences.

As for the officers who leaked this examination, appropriate action will be taken.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. Is this Assistant Minister in order to tell this House hearsay which he has got from the Kenya National Examinations Council in their process to cover up this serious matter and expect this House to believe him without producing evidence?

Mr. Deputy Speaker, Sir, to cancel mass examination is called collective punishment which is unconstitutional. The law provides that examination papers can be remarked. Could he produce the evidence?

**Mr. Awori:** Mr. Deputy Speaker, Sir, yes, I am, indeed, in order.

**Mr. Haji:** Mr. Deputy Speaker, Sir, I would like to seek the indulgence of the Assistant Minister who is a personal friend. He should not mislead us as concerns this matter.

Mr. Deputy Speaker, Sir, I am saying this because, by implication, what we are being told is that, when we work very hard in North Eastern Province to get our children pass examinations---

**Mr. Deputy Speaker:** Hon. Haji, please ask your supplementary question. Do not make a speech.

**Mr. Haji:** Very well, Sir. Is he in order to allege that there was cheating? This is because, if there was any cheating, there were supervisors and teachers. What were they doing then?

**Mr. Awori:** Mr. Deputy Speaker, Sir, I have simply stated here that action will be taken against any officials who were involved in leaking the examination to the students.

**Mr. N. Nyagah:** Mr. Deputy Speaker, Sir, I hope the Assistant Minister is not in the process of continually marginalising North Eastern Province as has happened in the past. We have been told that the invigilators and the teachers were involved, and, therefore, by extension, the Ministry of Education. These are children who have spent 12 years in school and at the end of the day, they will not have a certificate. These children will be off-loaded in Eastleigh and, by extension, to my constituency. Why do you not as a Ministry consider giving them supplementary examinations like is done at the universities, so that they have a future, and a future that you would also like to provide to your own child?

**An hon. Member:** He has no child!

**Mr. Awori:** I have grand children.

Mr. Deputy Speaker, Sir, we have offered most of the students a chance of redoing their examinations this year.

**Mr. Shidie:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is misleading the House. He knows those schools are fully packed.

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

**Mr. Shidie:** Mr. Deputy Speaker, Sir, the Assistant Minister is misleading the House since there is no chance for these students to repeat. As I am speaking now, there is a teacher who has lost his life and these students' and teachers' lives are at stake. Could the Assistant Minister order a remarking?

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

**Mr. Shidie:** Is the Assistant Minister in order to mislead the House, yet he knows that there is no chance for these students to repeat?

**Mr. Awori:** Mr. Deputy Speaker, Sir, once again, I would like to repeat that those students have been given an opportunity to repeat.

**Hon. Members:** Where?

**Mr. Awori:** In all these four schools.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the hon. Shidie has informed this House, and the Assistant Minister, that the Form Four chances in the schools where these students were, have already been filled by those who were a class behind them, and there is, therefore, no room for them to sit the examinations. Could the Assistant Minister tell us where they are going to repeat?

**Mr. Awori:** Mr. Deputy Speaker, Sir, there is certainly enough room at the time of examination for the previous and current students.

**Dr. Wako:** Mr. Deputy Speaker, Sir, the Assistant Minister is misleading the House by saying that these students can repeat. In the first place, the schools are filled up and there is no room for an extra student. It is unfortunate that the Assistant Minister is telling us that 360 students can collude in an examination to make sure they that they pass. This is not true. Is it a gimmick to make sure that North Province Eastern does not lead in the national examinations?

**Mr. Awori:** Mr. Deputy Speaker, Sir, I am sorry, I did not get that question.

**Dr. Wako:** Mr. Deputy Speaker, Sir, I would like to know from the Assistant Minister where these students are going to repeat.

**Mr. Deputy Speaker:** That question has already been asked!

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. We had a lot of trouble from this Assistant Minister in the last Parliament. I have a lot of respect for him as a person, but he let this House down many times in the 7th Parliament. It is very unfortunate to allow the same conduct to continue from an hon. Minister who knows better than he delivers. Will I be in order, in view of the fact that this Assistant Minister has persisted in giving this House false information--- I am saying this because all the hon. Members from that area cannot be wrong and the Assistant Minister, who seats in his office in Jogoo House, be right. Will I be in order to invite the Chair, under Standing Order 88(2) to have the Assistant Minister named?

*(Applause)*

**Mr. Awori:** Mr. Deputy Speaker, Sir, I really get very disappointed to find an hon. Member, who has been in this House for so long, becoming emotional. That demeans him. For him to stand before the House and say that I have let this House down is a shame. The information I have given, and that which I have been giving in the last five years, is all correct.

**Dr. Omamo:** On a point of order, Mr. Deputy Speaker, Sir. It appears to the House that this problem, which has affected more than 350 students, can again recur. The House is not happy with the Ministry's solution of letting the students find places to repeat a year later. In fact, a year is a long time in life. In the Public Service, it means that one loses a salary increment. You lose one increment forever. If it were going to heaven, one would get there one year late.

*(Laughter)*

Under these circumstances, will the Assistant Minister assure this House that the Ministry is going to review this matter again, so that an alternative method of helping the students re-do the examination is found? This should be done within a period of less than a year. If the students are going to repeat the examination, Kenyans can set another examination for the students, so that they can prove that they would have passed the earlier examination. Will the Minister assure this House that his Ministry is going to look into this matter as a matter of urgency?

**Mr. Awori:** Mr. Deputy Speaker, Sir, I will have to look into the matter that hon. Omamo has raised.

**Mr. Shidie:** Mr. Deputy Speaker, Sir, you can see the mood of the House. I am not satisfied that this Question has been answered well. Will I be in order to ask the Assistant Minister to come back here with a better answer, because this is a very serious issue? It touches on the lives of 350 students and their families. It is very dangerous because we do not want to have extra bandits in the area. We want to assure citizens of this country that when they send their children to school, they will get justice. This is a very serious issue. A teacher has been killed and now we are being told that these students cannot repeat their examination. This Ministry is insensitive. Even in the case of the Bombolulu incident, the Minister was not present the day the President went there to attend the burial of the dead students. This issue touches on the lives of every Kenyan. If this injustice continues, it will be very difficult for the rest of the students to register for the Kenya National Examination Council examinations.

**Mr. Awori:** Mr. Deputy Speaker, Sir, apart from bringing here the evidence of cheating, there is no other way in which I can make this answer better.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. We need to be very clear about this. I moved that under Standing Orders 88(3), the Assistant Minister be named. I know what the Standing Order says, but there is a requirement that the Chair should respond. It reads as follows:

"Any hon. Member may at any time, as a point of order, invite Mr. Speaker to name another hon. Member for disorderly conduct, but the decision whether or not to do so shall remain with Mr. Speaker"

I do think that this matter is grave enough to deserve a response from the Chair. I do not think that it will be right for the Chair to condone laxity on the part of Government Ministers, where very poor Kenyans are involved.

**Mr. Deputy Speaker:** The dissatisfaction expressed here is about the Assistant Minister's reply to the Question which was put by hon. Shidie. It is for hon. Shidie, if he is dissatisfied with the answer given by the Assistant Minister, to raise this matter on adjournment. Next order!

## COMMITTEE OF SUPPLY

*(Order for Committee read)*

## MOTION

SUPPLEMENTARY ESTIMATES:  
RECURRENT AND DEVELOPMENT

(a) THAT, a sum not exceeding K£870,892,291 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 1998, in respect of Supplementary Estimates of

1997/98 (Recurrent) having regard to the reduction of K£384,784,549, therein appearing.  
(b) THAT, a sum not exceeding K£39,380,874 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 1998, in respect of Supplementary Estimates of 1997/98 (Development) having regard to the reduction of K£281,251,422, therein appearing.

*(The Minister for Finance on 21.4.98)*

*(Resumption of Debate interrupted on 21.4.98)*

**Prof. Anyang'-Nyong'o:** Mr. Deputy Speaker, Sir, the point I was making when the House rose last evening was that when we look at these Supplementary Estimates, one tragic fact hits us right squarely on the face. It is that we are transferring development funds to Recurrent Expenditure. Definitely, this means that the Government is unable to develop this country. That amounts to a vote of no confidence in the Government as far as the people of Kenya are concerned. It is not something that is happening this year only; it has been accumulating for many years, being at the centre of Government policy. This is a Government which is consumer-oriented and not growth-oriented. It has very little thinking, or even philosophy, of development, contrary to its public pronouncement.

Therefore, as a matter of urgency, the Government is going to go beyond this tragic practice of robbing development funds to finance Recurrent Expenditure. The Government must improve its revenue collection ability. But it should not do that by overtaxing people. If it overtaxes people, then it will rob them of the ability to build up savings, which is at the centre of the ability of a nation to have capital formation. Therefore, I propose that one of the ways of ensuring that the Government has the ability to collect revenue is to ensure that there is security of tenure of the people who head the revenue collection agencies. I am particularly referring to the Commissioners of Income Tax and Customs and Excise. These people should have the security of tenure, so that they are independent of influence from the Executive. Unfortunately, that is not the case at the moment. We did discuss this issue when we were debating the Central Bank of Kenya Bill.

**Mr. Deputy Speaker:** Order! Yes, hon. Sumbeiywo.

**The Assistant Minister for Planning and National Development (Mr. Sumbeiywo):** Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

If you look at what the Minister is asking to run the services of this country up to the end of this financial year, it shows that we have a problem of finance in this country. I would like to enlighten hon. Members that if we continue depending, or asking for donor aid, we will not get anywhere. After the collapse of communism, the Western World does not feel threatened like in the past. It has left the African countries to fend for themselves. We must be very careful and find other sources of revenue to run our services. I know that the Minister for Finance has a lot of headaches. I do not know whether he sleeps at night. There are a lot of demands for salary increases and funds to repair our impassable roads due to *El Nino* induced rains. Even before the *El Nino*, there were other roads, some in my own constituency - like the Buret to Tot Road, which have been there since time immemorial, but promises to repair them every year have proved to be false. The security personnel who were dispatched to save the Marakwets from the Pokots could not pass through this road. We must look for other ways and means of getting money to run our services.

Mr. Deputy Speaker, Sir, security in any given country is paramount. Therefore, it is perfectly in order for the Minister for Finance to ask for additional funds to run security organisations. I would like a decision to be made to de-link the Police Force from the main Civil Service. This means that when funds are voted for security organisations, they are not shared out between the police and other sub-security organisations. If the police is fully equipped and funded, and a police commission is established, the police will do a good job, provided there is no interference from any outsiders like the politicians. This will mean that the Police Department will be an independent organisation. This means that when the Commissioner of Police does something wrong, he can be disciplined and carry his own burden, instead of saying that he was executing orders from above.

Mr. Deputy Speaker, Sir, we have politicians called councillors who do a very good job. I would like to suggest to the local authorities to give some powers to these councillors, so that they can help to develop our councils. In the course of their duties, they interact with members of public. They know the problems that the public have at the grassroots. The Minister for Local Government should assist these councillors. They walk on foot every day. They are not even entitled to some allowance for buying bicycles to move around. How do they move?

With regard to agriculture, it was decided that the importation of grains will be duty-free as from May. I think there should be a system where the farmers are warned that in a certain year, a certain number of bags of

maize will be imported, so that they can refrain from planting maize. When it was announced recently that duty was going to be waived, the price of a 90 kilo bag of maize in maize-growing areas dropped from Kshs1,200 to between Kshs800 and Kshs900. I know that there are farmers who have maize in their stores. They should be considered before the tycoons are allowed to import maize, sugar and other commodities duty-free. We must protect our farmers because they are the backbone of the economy of this country.

I would like the National Youth Service (NYS) Engineering Department to be utilised for doing roads in this country. They have so many bulldozers and other heavy equipment which are lying there. Some of them are even in remote areas and they are not serving members of public by doing roads. I wonder what they were meant for.

Mr. Deputy Speaker, Sir, I would like to take this opportunity to congratulate the Marakwets and Pokots for reaching a peace accord over the week end. I hope that, that will bring lasting peace to the region.

In conclusion, I would like to appeal to the Minister for Water Resources to consider a town called Iten. Many people do not know that Iten is the district headquarters of Keiyo District. It has no running water since Independence. We appeal to the authorities to help us to get water in our district headquarters. If you go there today, there is no water to wash your hands or to drink. I am sure the Minister, who is here, is listening to my appeal.

With those few remarks, I beg to support.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, I want to take this opportunity to thank most sincerely the people of Juja Constituency for re-electing me to this august House. I promise them that I am going to articulate their issues to the best of my ability without fear or favour.

The Motion before us in this House is one of the most important Motions as far as the lifeline of this country is concerned. We are talking of how this House is going to approve more money and give it to the free hands of the KANU Government. We are very concerned that the money we gave to the KANU Government last year was not enough. They have given us a myriad reasons as to why that money was not enough. We are not amused because we also know that the money that we are going to approve for the Ministry of Finance, before two or four months are over, will not be enough. We know that Kenya is one of the richest countries in black Africa. Its resources are enormous. Kenyans are hard-working people. We have got farmers who work day and night to raise revenue both for themselves and for this country. But the problem is the poor management of the money that the Government receives in form of taxes. I am informed by those people who are well versed in monetary affairs that if the taxes that Kenyans contribute are all collected, they could amount to something like Kshs250 billion, which is enough money to fund our own development projects without relying on donor aid. What there is, is that this money is collected, mismanaged and given to the wrong people who, instead of taking it to the targeted projects, divert it to other areas.

Mr. Deputy Speaker, Sir, many Members of Parliament have explained how this money is mismanaged and stolen. What comes into my mind is the fact that Parliament has powers to discipline the people who are involved in stealing public money, yet it does not. I just wonder how powerful this House is. In view of the fact that this Parliament has failed to discipline such people, we can refer to it as a toothless watchdog. A Parliament that cannot discipline any civil servant who has stolen public money is no Parliament at all. In the earlier years, Parliament used to be feared. Civil servants feared to be named in Parliament as having misappropriated public money. Today, those top civil servants who are politically well-connected do not fear Members of Parliament. If a Member of Parliament finds a civil servant stealing money and he threatens to name him in Parliament, that person tells him, "Just go and name me. What Parliament are you telling me about?"

The contempt with which the Kenyan Parliament is regarded by the thieves leaves a lot to be desired. We can talk and talk of how to safeguard public money, but as long as there is nobody to protect that money and to punish the known thieves, this is going to be another debating club. We know that in the earlier years there used to be an Implementation Committee of this House, which was abolished. Just the other day, Committees of the House were set up and the House deliberately left out that very important Committee. This means that whatever we are going to pass in this Parliament, as long as there is nobody to ensure that it is implemented, it will be all useless.

I am urging the Members of this Houses not to let themselves be manipulated. Most of the new Members, who really look forward to be powerful Members of Parliament, are already disillusioned because whatever they say here, nobody makes a follow-up. We used to see, as we saw yesterday, top Civil Servants from the Ministry of Finance seated in the Civil Service Bench taking notes, but they are not concerned any more about what we say. They are only waiting for this Motion to be passed and then they get the money.

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

**Mr. Ndicho:** They are not there and I do not know why hon. Nyachae wants to waste my time---

**The Minister for Finance** (Mr. Nyachae): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member right to mislead this House that civil servants in the Ministry of Finance are not serious just because the hon. Member has not seen them here? The Order Paper clearly states that House will go into Committee of Supply at 3.30 p.m. Wait until then. Those officers in the Treasury are not idle; they are working and they will come here at the right time when the House requires them.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the Minister should tell his officers that Parliamentary Questions might end before 3.30 p.m. and they should be here even earlier than 3.30 p.m. They should not wait for 3.30 p.m. to come here.

Mr. Deputy Speaker, Sir, the Minister for Finance should be somebody whose discipline is economics. We do not know the discipline of the current Minister for Finance. Is he an agriculturalist, a career civil servant or is he an economist?

**Mr. Deputy Speaker:** Order! Hon. Ndicho, it is none of your responsibility whom the President appoints as Ministers or Members of Parliament.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, I stand to be corrected. It is my considered opinion that the Ministers for Finance, Agriculture and Health should be people who are disciplined in those fields.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to allude to the nature of a Member of this House without moving a substantive Motion?

**Mr. Deputy Speaker:** Order, hon. Biwott! That matter is already disposed off. So, proceed.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, we have pointed out to the Government specific areas where we think people have avoided paying revenue, yet it does nothing about it. I have got a case in point where last year between the months of November and December, 350 units of four-wheel drive vehicles got into Kenya through Namanga and no duty was paid for any of these vehicles. Those vehicles were used by KANU to campaign and were given to KANU candidates all over the country.

Mr. Deputy Speaker, Sir, no duty was levied on any of those vehicles. Those were the vehicles which were given to all the KANU candidates during the last General Elections. The Government lost over Kshs350,000 in terms of duty. There are also Mercedes Benz vehicles which are being loaded into containers in the Port of Dar-es-salaam and imported into this country through the border town of Namanga. Those vehicles belong to top KANU politicians. Those vehicles are not inspected and duty is not paid for them. This has been made possible because personnel manning that border town are members of one community. The OCPD, the deputy OCPD, the DCIO, DSIO and majority of the customs officials are from one community. This is to ensure that duty is not paid.

**Mr. Kamolleh:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to go on talking about things which are mere allegations and continue to mislead this House? He should substantiate!

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the KANU Government--

**The Minister for Finance** (Mr. Nyachae): Mr. Deputy Speaker, Sir, I am in charge of revenue collection within the Government. The hon. Member has alluded to vehicles which are being imported in to this country without duty being paid. He should substantiate that there are vehicles which have entered this country without duty being paid. I want that information so that duty can be collected.

**Mr. Ndicho:** Hon. Nyachae, you know that very well!

**Mr. Deputy Speaker:** Order, hon. Ndicho! You have made very categorical statements, the facts of which you are enjoined to provide to this House. So, will you give an undertaking that you will provide that substantiation at a later day?

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the people who have brought those vehicles are top KANU politicians.

**Mr. Deputy Speaker:** Order, Mr. Ndicho! Will you provide that substantiation?

**Mr. Ndicho:** If this House gives me ample time, I am going to look for all that information and I will bring it here.

**Mr. Deputy Speaker:** Order, Mr. Ndicho! You cannot ask for time to go and look for it when you have, in fact, made a statement. You must be in possession of that statement. Can you bring that substantiation tomorrow or next Tuesday?

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, I will bring that information tomorrow afternoon.

**Mr. Deputy Speaker:** Okay, we will expect that information tomorrow afternoon.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to the Motion on the Supplementary Estimates.



Mr. Deputy Speaker, Sir, I would like to commend the Minister for Finance for being able to bring to this House a well considered Supplementary Budget in the sense that a lot has happened since July last year that needed attention, especially in the allocation of resources. The focus is on the proper utilisation of the scarce resources that are available at this particular time when the country is instituting austerity measures because of natural calamities that have occurred in the past. These calamities include the *El Nino* weather phenomenon, the drought and the diseases that have cropped up like the Highland Malaria and Rift Valley Fever.

Mr. Deputy Speaker, Sir, there is need for the Treasury, public servants and Parliamentarians to be accountable. We should begin by being accountable right from here. There is need to look into the Parliamentary Privileges Act to ensure that hon. Members do not abuse that privilege. That privilege was thought of and legislated on in order to enable hon. Members to speak freely, without fear or favour because they have accurate, reasonable and genuine facts to bring forward. If anybody talks about something, he should be able to substantiate it right here and now. I wanted to raise that point yesterday when hon. Muite repeated claims which he has made on several occasions about the Turkwel Project. They photographed the back-side of the Dam and termed it a white elephant. I think whoever is doing that is the white elephant himself. Hon. Members should not be peddling false information.

He also talked about truth and reconciliation. Why did they have to wait until now? If there was need for truth and reconciliation in this country, it should have started immediately after Independence in 1963. There were a lot of things which needed to be explained then, but thanks to the late Mzee Jomo Kenyatta who said: "Forget the past and move forward." For Justice to be done, it has to be immediate. We do not hope to wait for the day when people like hon. Muite rule this country. That time will not come. KANU will continue to be the ruling party in this country for some time---

**Mr. Ndicho:** On a point of order, Mr. Deputy Speaker, Sir. Hon. Biwott has said that a time will never come when hon. Muite will rule this country. When is he going to die? Who is going to kill him?

**Mr. Deputy Speaker:** Order, hon. Ndicho! That is not a point of order! Hon. Biwott, continue.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Speaker, Sir, that was not a point of order. Earlier on, hon. Ndicho talked about the background and education of another hon. Member. Maybe, he needs more of that education to be able to learn English properly. Mr. Deputy Speaker, Sir, I never talked about killing anybody. It is the ballot box which will determine that. I was saying that because KANU is a popular party and it will continue to be a popular party.

Mr. Deputy Speaker, Sir, we need to look into that Parliamentary Privileges Act so that individual Members can be held accountable. People should not wait for justice for too long. It has got to be immediate! Anybody with information that will uncover a corrupt act or a crime should not wait. He should provide that information to the police. We have a very able Attorney-General, courts and competent policemen who can act upon such reports immediately.

**Mr. Achola:** On a point of order, Mr. Deputy Speaker, Sir. Is hon. Biwott not misleading this House when he says anybody who has got any information which pertains to any corrupt practices ought to provide it to the relevant authorities when we have been reporting this, year in, year out, in the Public Accounts Committee Reports and still this Government does nothing about it?

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Deputy Speaker, Sir, I think we have got a very able and experienced Minister for Finance who is out to ensure that any corrupt practices are brought to an end. We have a specialised unit which will deal with corruption. Be good enough to your own nation and put those facts on the table so that they can be acted on.

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

**Mr. Deputy Speaker:** Order, hon. Nyagah, let us allow hon. Biwott to make his contribution.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): That is a serious challenge because people should not be fed with false, reckless and inflammatory statements. We need facts, however unpalatable they may be. Nobody is above the law and all of us are subject to the rule of law. Since we believe in the rule of law, everybody, except the President, should be held accountable for his acts.

**Mr. Kapten:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Minister not misleading this House by alleging that if certain facts connected with the commission of crime are reported, action will be taken? We have made several reports to the police and the Administration concerning utterances by KANU Ministers about clashes, and nothing has taken place. Are you in order to tell this House that action will be taken if reports are made? People are dying in Kwanza Constituency, day and night, and I have made reports to the police, but no action has been taken. What are you talking about?

**The Minister for East African and Regional Co-operation**

Mr. Deputy Speaker, Sir, regarding the clashes which I would want to talk about, I am yet to hear from Members of Opposition the word "peace". They have never uttered this word. The only people who have talked about peace, stability and security of this nation are from the Government side. All that we have heard from the Opposition is "mass action", "civil disobedience", "disobey the laws", "this is a corrupt thing", without showing any evidence of corruption. Since you have all matured now---

**Mr. Deputy Speaker:** Order! Order! Hon. Nyagah!

**Mr. N. Nyagah:** Mr. Deputy Speaker, Sir, we want the record put straight. The hon. Minister has no authority to engage in mudslinging us. We have called them to a conference headed by hon. Kibaki. Is he in order to mudsling the entire Opposition as people who do not negotiate for peace when he, himself, is in the fore front of inciting Kenyans at his public meetings?

**Mr. Speaker:** What is your point of order, hon. Nyagah?

**Mr. Nyagah:** While we are very powerful people---

**Mr. Temporary Deputy Speaker:** Order! Order, hon. Nyagah. Hon. Biwott!

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Deputy Speaker, Sir, I am certain about what I am saying. The hon. Nyagah must not mislead this House. He has never used the word "peace". If anything, he has only aired the Democratic Party of Kenya (DP) propaganda. That is similar to the Kiliku Report, which was a manifesto of the DP. It was the manifesto they used in 1992 which is full of lies, and that is why we threw it out of this House!

*(Several Opposition Members  
stood up in their places)*

**Mr. Deputy Speaker:** Order! Order! Order, all of you! Hon. Kapten, sit down! I want you to freeze in your chair. Hon. Matu Wamae!

**Mr. Wamae:** Thank you, Mr. Deputy Speaker, Sir. Is the hon. Minister in order to allege that hon. Kiliku was working for the DP when he was actually appointed to lead a Select Committee of this House? Hon. Kiliku was not even in the DP. Is he in order?

**An hon. Member:** He is not!

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Deputy Speaker, Sir, I am perfectly in order because hon. Kiliku moved straight to DP immediately after he completed the report and all those other things.

With these few remarks, Mr. Deputy Speaker, Sir, I beg to support.

**Mr. Deputy Speaker:** Order! Order! Hon. Sifuna!

*(Loud consultations)*

**Mr. Sifuna:** Thank you very much for giving me this chance, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Order!

**Mr. Sifuna:** I have a few points I would like this hon. House to listen to and understand properly.

*(Laughter)*

Mr. Deputy Speaker, Sir, the only problem with Government Ministries is that whenever Members ask Questions relating to development in their respective constituencies, we are told to channel the problems through the District Development Committees (DDC). When we channel the Questions through the DDC and bring them back to the House, we are told that things will be done "when funds become available".

Mr. Deputy Speaker, Sir, when has this House ever refused to give funds to the various Ministries? When the Finance Minister asks for money, we give it to him. It is high time that the various Ministers considered availing funds for development projects we ask for rather than tell us that, that will be done when funds become available.

*(Applause)*

Mr. Deputy Speaker, Sir, most of the chief officers are very corrupt. It is high time that the Minister for Local Government sets up a programme to ensure that no chief officer remains in one particular station for more

than three years, because these are the same people who are corrupting the entire system and they have become very lazy. A clerk or treasurer who serves at one station for more than 15 years becomes a deadwood and very corrupt. Various local authorities in our towns are not developing because most of these officers turn round to do their own businesses.

Mr. Deputy Speaker, Sir, Bungoma Municipal Council has not had clean water at all for many years.

**The Minister for Local Authorities** (Prof. Ongeru): On a point of order Mr. Deputy Speaker, Sir. The hon. Member for Bumula has alleged that chief officers are corrupt. I think it is only honourable that he brings the names of such corrupt officers to our attention.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Sifuna:** I sympathise with the hon. Minister because during the Seventh Parliament, I brought so many names and the amount of money that the chief officers of Bungoma Municipal Council had embezzled. That is why you went as far as even over-nominating councillors there.

*(Applause)*

Mr. Deputy Speaker, Sir, we had the Malava/Kocholia Water Project, which was established in 1983. To date, that particular project is dead; we do not know why it has not been completed. Therefore, the Minister for Water Resources should see that, at least, that particular project is completed to ensure that people in Bumula get clean water, just like any other Kenyans.

On roads, I would like to request the entire Cabinet to travel from Emali to Oloitokitok and see for themselves the state of this road. This road is impassable, yet Kenyans pay a lot of money in Fuel Levy and Road Licence fees. Why should we pay all this money when the roads are impassable? During the late Mzee Kenyatta's regime, we never used to pay Fuel Levy but the roads were good!

*(Applause)*

Why can the KANU regime not find out why we cannot be able to maintain our roads when many Kenyans are paying tax for this service? The Government has talked about being committed to assisting the Kenya Co-operative Creameries (KCC). Last year, or the year before, the Government gave the company Kshs800 million whereas the same Government has not done anything to assist Nzoia Sugar Company. Why? The Government knows very well who messed up the sugar company! So, I think we should ask the Minister concerned to come out and assist Nzoia Sugar Company, in the same spirit they are assisting KCC.

*(Applause)*

On Kibabii Teachers Training College, hon. Kamotho, who was the Minister for Education then, went as far as appointing a contractor all the way from Kinangop, who was a KANU hawk, to construct the college. The man pocketed Kshs20 million and disappeared. I do not know whether he shared the money with the Minister or what happened.

**An hon. Member:** He should be arrested!

*(Laughter)*

**Mr. Sifuna:** Mr. Deputy Speaker, Sir, there is another issue which I would like to bring to the attention of Maj. Madoka. He was talking about clashes at the Coast, but now let me make this point very clear before I hear any point of order. To substantiate is either you saw, read or heard. Let me tell my brother, Maj. Madoka, that those people who--- Those people who started the clashes were two people hired by the Government and they confirmed to me yesterday, during lunch hour, Hon. Maitha confirmed this to me during the lunch hour that it is true that he was hired, together with Mr. Masumbuko, to go and start the clashes, and they were being paid by hon. Sajjad. So, they differed when Mr. Sajjad was unable to pay---

**Mr. Deputy Speaker:** Order! Hon. Sifuna, you have been here long enough to know that you cannot say the kind of thing you are saying on an hon. Member, without a substantive Motion. Hon. Maitha happens to be a Member of this House at the moment.

**Mr. Sifuna:** Mr. Deputy Speaker, Sir, while accepting your ruling, you do remember that yesterday, hon. Maitha himself threatened to make a personal statement. It was as a result of that, that he was prepared to confirm

that he was hired by the Government, together with Masumbuko, to start the clashes. He has not denied it, he is here. Why can he not stand up and deny it?

*(Applause)*

**Mr. Deputy Speaker:** Order! Order! Hon. Sifuna, hon. Maitha has not been into this House to confess his involvement in the Likoni clashes. If he has, I have not heard it.

*(Mr. Maitha entered the Chamber  
from behind the Chair)*

*(Applause)*

Order! Order! Be that as it may, you cannot, and you will not, make that kind of statement about hon. Members in this House. So, proceed!

**Hon. Member:** Allow hon. Maitha to defend himself!

**Mr. Deputy Speaker:** At the moment, we are not discussing the Likoni clashes. There is a Motion before the House and that is what we are proceeding with. Hon. Sifuna, you are grossly out of order to refer to hon. Member in those terms.

**Mr. Sifuna:** Mr. Deputy Speaker, Sir, we are on the Development Vote and we have lost millions and millions of money. If tourism in this country was thriving, we would have had a lot of money but because of these clashes, Kenyans have failed to get such money.

Mr. Deputy Speaker, Sir, on the Ministry of Health---

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

**Mr. Deputy Speaker:** Order! Order! Proceed.

**Mr. Sifuna:** Mr. Deputy Speaker, Sir, I do not know why my brothers are interrupting me.

**Mr. Maitha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I was away from this House and when I came in, I heard that hon. Sifuna alleged---

**Mr. Deputy Speaker:** Hon. Maitha, you cannot respond to something you did not hear. So, the best you can do is to wait for the HANSARD tomorrow, read it and then respond.

**The Member for Wajir East (Mr. Mahamud):** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this debate.

Mr. Deputy Speaker, Sir, I think the purpose of voting for this money, both for the Recurrent and Development Expenditure is to render services to the public, through our civil servants. Secondly, the Government has a number of projects to be either started or on-going. Therefore, it is the responsibility of the Government to complete these projects. The ultimate goal, therefore, is to improve generally the living standards of our people. As I said earlier, it is our civil servants who are supposed to implement those projects and most of this money, particularly the Recurrent Expenditure, goes to their salaries and allowances in order to make them more efficient and more productive. Therefore, we would expect them to be loyal and to be devoted to their duties and to support the Government of the day.

Secondly, it is the duty of the civil servants, of course under the guidance of the Ministers concerned, to identify projects in consultation with the beneficiaries. They should identify, design, implement and evaluate them. Therefore, we would like the civil servants to be very serious in this regard and use all the money that has been allotted. They should use the little money that has been made available to the best of their ability and so on.

Mr. Deputy Speaker, Sir, I would like to say something on development of this country. I think so many speakers have been saying that this Government is corrupt and the money is being misused and so on. Let me take the House back to the time when we got Independence. I have to say that because some of the regions especially the area I come from, have not experienced any development from the time of Independence up to 1978. At Independence, of course, everybody was eager and wanted to get a share of the national cake. But to be very frank, there were certain regions that were developed and some regions remained static. Others were developing. I will categorize them. The ones that remained static included North Eastern Province and some parts of northern Kenya. The ones that were developing did not develop because there was some money injected into those areas. What actually happened was that, due to the natural rain that they receive, areas like Luo Nyanza and others, were able to feed themselves.

Otherwise, there was virtually no development.

*(Mr. Anyona stood up in his place)*

**The Member for Wajir East** (Mr. Mahamud): No point of order; this is my maiden speech!

The other regions whose people were in authority at that time took the lion's share. They decided to develop their areas and left out certain regions like the North Eastern Province, Luo Nyanza, the Coast Province, some parts of the Rift Valley Province and some parts of the Eastern Province. The result was what some people call marginalisation. We were really marginalised right from Independence. People are talking about corruption right now. Why can they not go back to history? As a result of the marginalisation by that regime, there were a lot of imbalances and you could not talk of national unity when the national cake had not been properly distributed. Why are my friends on the other side accusing the Government of corruption? They are not talking of what happened before!

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

**Mr. Deputy Speaker:** Order! Hon. Munyasia, you have been here long enough to know that when a Member is making his maiden speech, he is heard in absolute silence. If you stand up again, you will do so at your own peril.

**Mr. Munyasia:** There is no Standing Order that bars me from raising a point of order when he is speaking---

**Mr. Deputy Speaker:** Order! Order, hon. Munyasia! It is a custom and the practice of this House that when hon. Members are making their maiden speeches, they are heard in absolute silence. That is the ruling of the Chair.

**The member for Wajir East** (Mr. Mahamud): Thank you very much Mr. Deputy Speaker, Sir, for saving me. As a result of the marginalisation, there were a lot of problems which came up. We could not talk of national unity when some people did not have roads and we were not given a share of our--- There was a lot of injustice and discrimination. However, when the Moi Government came to power, at least we got something. We got substantial amount of development, although it was not enough.

*(Applause)*

I would like to defend the Moi Government whether the Opposition Members like it or not. Although the area I come from has been marginalised, during his time, at least, we got something, but we have many disadvantages. One of them is the population explosion. As a result, we had many mouths to feed and other economic problems. Therefore, the question of blaming the Government of the day wholesale is off the point.

Mr. Deputy Speaker, Sir, I will now speak on the effects of the *El Nino* weather phenomenon. I am touching on that issue because the little development we got was actually washed away by the *El Nino* induced rains. A key issue here is the infrastructure, the roads in particular. As you are aware, we do not have actual roads in North Eastern Province. Most of the roads we have there are earth roads which have been destroyed by the *El Nino* induced rains. What we call roads are now gullies---

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

**Mr. Ndubai:** Thank you, Mr. Deputy Speaker, Sir. I think the issue before this House is the Supplementary Estimates which this House is being asked to approve. To me, the question really is not the amount involved or whether this money will be put to good use. But the question here is--- If I remember very well, we had the same problem in this House last year and it has become an issue, now and then, to have different Supplementary Estimates to authorise monies for various Ministries.

Mr. Deputy Speaker, Sir, what I would really like to talk about is whether this money the House is being asked to approve is going to be put to proper use. If it is going to be put to proper use, then the problem is not approval. The problem is to create a watchdog or a unit from this House to make sure this money is being used correctly, because the problem we are facing in this country--- Members have talked of corruption. Corruption is everywhere in the world. There is no country which can claim to be clean. But the corruption in our country has gone to a very high magnitude and we should think and reason, and come up with an idea which will make corruption in this country, a matter of history. When we talk of corruption, this country is ranked third in the world. Nigeria and Pakistan are ranked first and second, respectively. In education, Kenya is ranked third. The Gambia and Mali are ranked first and second, respectively. When it comes to taxation, this country is also ranked third. Israel and Singapore are first and second, respectively. But when you look at it critically, you will ask yourself why the taxation is so high. We can excuse Israel because she has been at war since 1948.

In Kenya, we have never experienced any war and, still, our people are among the most taxed in the world. We can also excuse Singapore because we know they import---

*(Dr. Anangwe stood up in his place)*

Can you sit down and listen? Mr. Deputy Speaker, Sir, would you protect me from this Minister. He must have learned from Mr. Shikuku. Sit down and listen!

**Mr. Deputy Speaker:** Order, Mr. Minister! It had better be a point of order!

**The Minister for Co-operative Development** (Dr. Anangwe): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Ndubai in order to mislead this House that Kenya is number one in taxation rates, yet I have figures right here which show he is not well informed on that particular matter?

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

**The Minister for Co-operative Development** (Dr. Anangwe): My point of order is that he is misleading this House.

**Mr. Deputy Speaker:** Order! That is a point of information!

**The Assistant Minister for Finance** (Mr. Kirui): Mr. Deputy Speaker, Sir, the Member is misleading this House---

**Mr. Deputy Speaker:** Order! If you want to pass that information, you can do so without necessarily disrupting the debate.

Proceed, hon. Ndubai.

**Mr. Ndubai:** Mr. Deputy Speaker, Sir, I think the Assistant Minister was in deep sleep when I said Kenya was number three, after Israel and Singapore in the order of countries with highest taxation rates. Kenya is also number three in terms of corruption after Nigeria and Pakistan. The country is also in a mess in terms of education and is rated third, after Mali and Gambia. That is what I said.

Mr. Deputy Speaker Sir, for us to build this nation, we should avoid name-calling in this House. This House should be a place where issues affecting this country are generated and deliberated on. I will make a suggestion to the Minister for Finance, whom I have a lot of respect for as a senior citizen of this country and a senior civil servant. I believe he will advise the President to streamline the Ministries, so that this country has only 16 Ministries, instead of 28. This country is too young and small for that. I will also recommend that the Office of the President should have only one Assistant Minister instead of three, since the President has a Vice-President who is supposed to take care of most of his duties. I will also further recommend the formation of Ministries like that of Mining and Industry, so that we can convert our economy from tourism and agriculture to mining. That is the only basis under which we can transform our economy into a stronger one.

Mr. Deputy Speaker, Sir, we say the backbone of our economy is agriculture but our people are starving because we allow the unchecked importation of everything to this country from maize to seeds. Yet, we say agriculture is the backbone of this country. I do recommend that it is time we moved from agriculture to mining. We have a lot of minerals in this country. I can assure you that, if this mining venture is given an opportunity and a blue-print is drafted, this country would be converted from its current unstable economy to a booming one. We should forget the Ministry of Tourism because it has turned out to be a mess. It is led by a colonial cowboy. We have left this crucial section of this Ministry to a *Mzungu*. When you look at KWS, which collects millions of dollars and pounds, there is no transparency as all the money ends up in the pockets of some individuals. It does not help the citizens of this country. Instead, it ends up in the pockets of colonial cowboys like Dr Western, who was collected by Hon. Ntimama from the bush of Amboseli to become the Director of KWS.

Mr. Deputy Speaker, Sir, I request the Government to look into that matter seriously, so that KWS is guided well and headed by a citizen of this country. There is no Government which governs people who are poor.

The primary duty of any government is to protect the property and lives of its citizens. The Constitution of Kenya says there is a contract between the Government and its citizens. If the Government fails to perform its duty, there is no reason why it should call itself a Government. The Constitution is a contract to be adhered to but the Kenyan Government has failed totally. When we talk about Rift Valley, we know that it is where the President comes from, and even three months ago it had a Vice-President. But it has turned out to be the hot-spot of this country. The Marakwets and Pokots are killing one another there. This is the place where the infamous Molo clashes took place; it is where the Pokots and Marakwets have lost sleep because of insecurity. That is why I said the Government has failed in its constitutional duties and so it has no business to tell the people to pay taxes.

Mr. Deputy Speaker, Sir, the Cold War is over. We are now living in a warm world, but we are yet to come out of the previous cocoon of Cold War. There are some people who are still oppressing the citizens of this

country, thinking that, in this way, they will be protected by their masters, who are Communists and Americans. Any leader who does not protect his or her citizens as dictated in the Constitution is still in the Cold War era.

Mr. Deputy Speaker, Sir, I support the Motion but the Constitution should be protected.

**Mr. Sambu:** Thank you, Mr. Deputy Speaker, Sir. We will vote for this Motion but we want the Government to avail these funds for services like security to those areas under threat. We do not want to see administration officials and Army personnel looking on as people are killed.

Mr. Deputy Speaker, Sir, it is possible for the country to save its economy. Such big Supplementary Estimates must also stop. At the moment, the Government is borrowing heavily through Treasury Bills and Bonds that are offered at between 26 to 27 per cent. From these, what are we going to pay the banks? We will pay 30 to 35 per cent. We do not know where we will get this money from, to invest. There is no industry which will give you a return to save your 35 percent per annum.

Mr. Deputy Speaker, Sir, agriculture is the mainstay of this economy. But it is the most neglected sector of this economy. If you go to the field, you will not get an agricultural officer there. Now, we are forced to buy semen, equipment and hire our own officers to inseminate our cattle. There are no advisers in the field. First and foremost, let us save the agricultural and livestock sectors. The infrastructure that leads to the agricultural areas is very poor. Roads leading to these farms are non-existent.

Mr. Deputy Speaker, Sir, we shall vote for this Motion but the money has to be invested in these areas. Our GDP can grow if roads are improved. When our GDP grows, we have to save it. We should avoid investing this money in the salaries of workers. We should stop being a consumptive society, so that our economy grows.

Mr. Deputy Speaker, Sir, several sectors contributing to the success of agriculture are mismanaged. Tea farmers contribute a lot to the economy but the Kenya Tea Development Authority (KTDA) is frustrating these small-scale farmers. KTDA pays between Kshs3 to Kshs6 for each kilogram of green leaf they buy from farmers but sells the packaged tea, equivalent to 7 Kilograms of green leaf, at Kshs165 after buying from the farmers at Kshs 42. The Kshs120 gets lost at the KTDA headquarters. The directors of KTDA import fertilizers so that they can reap some profits. KTDA must be decentralised immediately.

Mr. Deputy Speaker, Sir, there is urgent need to decentralize the Kenya Tea Development Authority (KTDA). Also, we have to review the KTDA Act. This Act was legislated by this House and it has to be changed by this House, otherwise, we shall be sitting here allowing the very Act which this House put in place to destroy our economy. So, that Act which gives all those powers to the KTDA must be removed. The factories in Kapsabet, Kericho, Kisii, Meru, Kiambu and others in the tea-growing zones must be independent. Let the farmers deliver their tea leaves to factories over which they have control. At the moment, our farmers have no control over their tea leaves.

Mr. Deputy Speaker, Sir, the Kenya Co-operative Creameries (KCC), the main buyer, processor and marketer of milk is being brought slowly to its knees. Previously, people claimed that the Government was intervening in the affairs of the KCC; this time it is an in-house problem. I have facts here which show, and I will table them, what the directors of KCC are doing. First of all, they have started a slow liquidation of the organisation by selling its properties because they cannot run the organisation efficiently. They have allowed open stealing of the proceeds from the milk sales. Now that they do not have the proceeds from the milk sales, they are going into slow liquidation of the company by selling its properties. I have a letter here from the Company Secretary addressed to Tysons which claims that a fair valuation of properties worth Kshs110 million has been done.

*[Mr. Deputy Speaker left the Chair]*

*[The Temporary Deputy Speaker  
(Dr. Kituyi) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, I will only read one sentence which says: "Sale of KCC Limited property.

"Further we suggest that the mortgages---"

**Mr. Wamunyinyi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has alleged that the Directors of KCC are stealing money when I know that it is the Government that is imposing itself on the KCC. Could he substantiate that allegation?

**Mr. Sambu:** Mr. Temporary Deputy Speaker, Sir, I am going ahead to substantiate my allegations. The hon. Member should be patient and read the Standing Orders before he opens his mouth. **The Temporary**

**Deputy Speaker** (Dr. Kituyi): Order, Mr. Sambu! We will use civil language in the National Assembly.

**Mr. Sambu:** The hon. Member should read the Standing Orders of this House. The letter in part reads as follows:-

"Further we suggest that the mortgage value indicated in your valuation be the lowest price for such properties, but I have no objection if you could sell them for more."

Mr. Temporary Deputy Speaker, Sir, they are asking for the lowest price. I have never seen anybody asking for the lowest valuation. They want to under-value the houses, buy them and then sell them at a profit. I have records here from the ledger books of the KCC, including a number of cheques. The Chairman, S. Metto, got an advance of Kshs1.7 million. This only applies to Nairobi. We have not gone to Eldoret where we feel that he has taken more because there he signs payment vouchers. His wife and sons also sign the payment vouchers in the name of S. Metto. The names of the other people are as follows:-

2. Hesbon Thuku Kwenya Kshs790,982.00
3. Livingstone Kombich Kshs712,982.00
4. J. Koros Kshs599,402.00.
5. P. M. Kariuki Kshs1,012,110.00
6. J. Chumo Kshs1,607,000.00
7. P. Kariuki Kshs5,637,732.00
8. J. M. Materi Kshs2,012,000.00
9. J. Songok Kshs1,022,000.00
10. Thirikwa Kamau Kshs2,973,000.00

**Total Kshs18 million.**

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

**Mr. Temporary Deputy Speaker** (Dr. Kituyi): Order!

**Mr. Sambu:** Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me. I am addressing the KCC Directors, not a Member of Parliament. Those are advance payments. Our farmers have not been paid for the last six months. I am not saying that they stole this money, but why are they given advance payments when our farmers have not been paid for the last six months? What are these advance payments for? Did an individual deliver milk worth Kshs5 million? There is a company called "Private Eye" whose Director is also a Director of KCC. From 16th May, 1996 to 15th December, 1997, that company did business with the KCC worth Kshs8 million. What was this that was lost in KCC that had to be investigated at a cost of Kshs8 million by a director?

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

**The Member for Rarieda** (Mr. Ngure): Thank you, Mr. Temporary Deputy Speaker, Sir, for recognising my presence. I am George Ngure, Member for Rarieda who came to this House on a National Democratic Party (NDP) ticket. For the benefit of those who might have gone to school and did geography, Rarieda is in Siaya and it was created out of Bondo. It is a constituency in this Republic that has produced people of notable academic standards. It is also a constituency which is globally recognised because Bondo produced the first Vice-President of this country; a great man in the name of Jaramogi Oginga Odinga.

*(Applause)*

Rarieda, as a constituency in this Republic, at the turn of Independence, produced three Permanent Secretaries and at that time, the Government payment voucher would even buy you a kilo of meat from a grocer. Right now, a Government payment voucher is of no use even to the Governor of Central Bank. This same constituency, with all that it has produced, has no single inch of tarmac road. Also, as we are speaking now, Rarieda has no running water while over 20 years ago, Uyoma Rural Water Project was started. At the moment, we have pipes under the soil criss crossing all over plus water tanks in the entire constituency.

Mr. Temporary Deputy Speaker, Sir, as I have told you, if you were asked, when the school milk programme was being introduced, whether it was totalitarian or not, you would have said: "No," or you would have opted for both instead. I have noticed in the Supplementary Estimates that we are being asked, among other things, to vote for an extra expenditure from the Consolidated Fund. We are being asked to vote money to finance Presidential visits to provinces during 1997/1998. It is common knowledge that these visits were mere campaigns for KANU. I have watched *Yaliyotokea* programme, which can vouch for me. I have watched all the new series



which can vouch for me, but on top of it, we are being asked to authorise an additional K£1.5 million which is an enormous amount, equivalent to Kshs30 million. Be that as it may, it was a mere campaign for KANU and looking at the achievements, they spent Kshs7.5 million to "purchase" four hon. Members to defect. That is the security that they are talking about at a cost of Kshs7.5 million belonging to the Kenyan taxpayers. I do not know what hon. Prof. Anyang'-Nyong'o said here about that, but if the money was used to buy machines, I do not know. However, it looks like they were manual machines. When we talk of security---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Dr. Kituyi): May the Members speaking around hon. Sambu consult in low tones!

**The Member for Rarieda** (Mr. Ngure): Mr. Temporary Deputy Speaker, Sir, as regards security, I come from a constituency which is very peaceful. It is a constituency which, for a long time, has been branded as an Opposition zone and anti-Government, and yet we have been very peaceful. To ask me to approve Kshs70 million for security is very unfair to me. It is very unfair to our voters. It is very unfair to my constituents because all that I know about security is that along that stretch of 80 kilometres leading to my home, there are ten police road blocks. I do not know why we have ten police road blocks between Bondo and Kisumu. Why are we wasting public resources to have 50 policemen checking two matatus after every hour? That is ridiculous and a waste of public funds.

Mr. Temporary Deputy Speaker, Sir, looking at the Recurrent Expenditure, we have personal emoluments ranging between 35 per cent and 68 per cent of the total Estimates. On the basis of what I have seen in my constituency, if this reflects an increase in the number of employees or parastatals and so on, we have not benefitted. I need to be told why we should increase personal emoluments by between 35 per cent and 68 per cent.

Mr. Temporary Deputy Speaker, Sir, we have talked about corruption in this House for a long time. Some people have shown that they get very jittery when we talk about corruption, but I do not think hon. Members can talk about it, if it does not exist. This is because I have just talked about these ten police road blocks. These are gadgets of corruption. If you go to the courts, you will find that nobody has ever been charged despite the fact that these matatus are always overloaded. All the extra passengers are carried to benefit somebody manning those road blocks. The 50 policemen who patrol the 80-kilometre stretch have to get something. Even if you have a new vehicle you will be stopped. They will tell you: "Weka wiper" or they ask you "Unaenda wapi" or "honi iko wapi?"

If I am not wrong, the other day after new recruit found that the wiper and the horns were both working, he had the audacity to tell the driver, "Sasa kojolea hii dirisha". Just imagine he was telling him to splash water on the windscreen. We cannot continue living under police harassment. We are people who are honest, doing our business and taking our wares to Kisumu for sale. On our way back, we take passengers from Kisumu and back home. It takes us one hour to answer questions at all these road blocks. It will be very difficult for me to vote anything for security. I know what is happening on security. I have been in this country, and I know that nothing was bought. If it was bought, maybe this money was used to pay some commission so that orders could be cancelled.

Mr. Temporary Deputy Speaker, Sir, when we talk about development, what we should do is just to have a green revolution. I come from a constituency which is bordered on three sides by the Lake. The only thing that we need to do is to install electricity and have the water pumped up to all the hills that surround the Lake so that we can irrigate that area and we will never, never come back to this House to ask for Supplementary Estimates. The *El Nino* problem is a new thing. Some of us, of course, cannot talk about the *El Nino* having created havoc to our roads because, maybe, we did not have them. But even the little that we have had has been taken away by the *El Nino* phenomenon.

Mr. Temporary Deputy Speaker, Sir, at the moment as I speak, one part of the constituency cannot be reached through the roads. At the moment on the lakeside, our fish is rotting because it cannot be collected. People are walking ten kilometres to catch buses. This is a pathetic situation. I can see from the Supplementary Estimates that we are asking for additional funds. We had a cholera outbreak and we were not supplied with any anti-cholera medicine. I was forced to buy anti-cholera medicine and take it to my constituents. I do not know whether the Minister for Health will refund me what I spent from these Supplementary Estimates.

Mr. Temporary Deputy Speaker, Sir, as I am talking now, I have one hospital in my constituency called Madhiany which has no ambulance. The ambulance was taken away three years ago for repair but the Government has not paid for the repairs up to now. The same hospital has a generator and electric equipment which cannot function because they are lacking a 12 volt battery. If you visit the parking lot within the precincts in front of this House, you will think that, that is a showroom for Mercedes Benz cars. The Government cannot afford even to buy

a bus. People are talking about marginalisation, but this is a serious thing. We cannot just have Government items rotting or going to waste when cardiologists continue to earn Government money every year without carrying out their duties.

Mr. Temporary Deputy Speaker, Sir, we are being told that what made this Government increase its expenditure is the issuing of voting cards to voters for the last general election. I have voted for years in this country and I have been using a non-laminated card, which is very cheap. I do not know what lamination of the voting card was for. We spent an enormous amount of money. For us to have avoided extra expenditure in the election, we could have used mere manila paper printed card.

We have always been told that there is a Government in this country, but now there is a head count of teachers and civil servants. A long time ago, we had a list of Government employees. The Government list of employees was meant to reduce ghost workers in the Civil Service. If this Government had a list of its employees, maybe, we would minimise payments to ghost workers. Any Government which is afraid to table a list of employees which shows where they come from, and their qualifications, is not worthy to rule.

There was an hon. Member who talked about aid before the collapse of the Communist Bloc. At that time, we were pretending that we were non-communist and we were condemning communism. Maybe, that is why we were getting a lot of aid from the Western countries. That type of aid was a bribe. Right now, we are being called upon to prove our worth for what we are asking.

There was a question here about the prerogative of the President in appointing Ministers and Assistant Ministers. I quite agree that it is the prerogative of the President to do so, but it is important that people are appointed to positions which they are fit to hold, and have qualifications which this House will respect. At one time we had a very able Minister who was appointed on the basis of his qualification. Maybe that is why officers fear to serve in their profession which they excel in, because this might be dangerous to them.

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

**The Assistant Minister for Energy** (Col. Kiluta): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this debate and also make a maiden speech in this House.

Allow me to first take this opportunity to thank the people of Masinga for giving me a second term to represent them in this House. I would like to assure them that I will do my utmost to make sure that they are properly represented in this House. I would also like to congratulate both Mr. Speaker and Mr. Deputy Speaker for being elected to their offices.

*(Loud Consultations)*

**The Temporary Deputy Speaker** (Dr. Kituyi): Order! Mr. Kapten and Mr. Wako, you will only be on your feet when you are walking.

**The Assistant Minister for Energy** (Col. Kiluta): Mr. Temporary Deputy Speaker, Sir, I would like to congratulate all hon. Members who have been elected by their respective constituents. I assure them that we will work together.

Mr. Temporary Deputy Speaker, Sir, having said that, I would like to revisit a remark I made during the Seventh Parliament. I said that the distribution of resources by this Government must be done fairly. It is a cake that must be shared in every constituency. Whether an hon. Member is vocal or not, he must be given an equal share. I will make sure that, that is done for my people. If that will not be done, then I should not support these Estimates. So, there must be an equal share for everybody in this country.

My understanding here is that the Supplementary Estimates are normally meant to meet the essential services in order for the Government to run. They are also meant for emergency services in the Government which were not anticipated during the preparation of the annual Budget. They are also meant for maintenance of on-going projects and so on. We need to look at some of the Ministries that have asked us to vote money for them and see whether they are really using the criteria which I have just mentioned.

I will not go into a lot of details, but I would like to touch on one area in the Ministry of Agriculture. This is the Kenya Meat Commission (KMC) at Athi River. In 1997, the Mitsubishi Corporation of Japan gave the Kenya Government Kshs200 million to rehabilitate KMC. Out of this amount, Kshs166 million was spent on buying equipment, but, as we talk now, both the old and the new equipment has all been stolen. This equipment has been stolen with the full knowledge of the KMC management. That is the only project that we have in Ukambani. The sad thing is that the people who have been stealing it are known. Some of them are Dr. Langat, Eng. Karigi, Mr. Karanu and Mr. Musyoki. A report was written to the Minister to take action, but nothing seems to have been done. Why should we vote money to the Ministry if it cannot take care of the little money which it was given in the last Budget?

The Ministry of Water Resources has also asked us to vote money to it. This same Ministry has slashed a lot of money from other projects in order to finance a single project.

Mr. Temporary Deputy Speaker, Sir, K£258,000 went to a place called Elementi, K£1.25 to Solai-Menengai, K£23 million to Cherandich and K£299 went to Litein Water projects. So, we slash funds from other projects and take the funds to one area. If you look at the Supplementary Estimates keenly, you will notice where the funding has been withdrawn and taken to. Kitui District got K£140,000. That is the only project that has benefitted from these Supplementary Estimates. I do not think that was fair distribution. If it was, I stand to be corrected.

**An hon. Member:** Defect!

**The Assistant Minister for Energy** (Col. Kiluta): I do not have to defect!

Mr. Temporary Deputy Speaker, Sir, the Ministry of Water Resources must analyze the projects that they started. Funds allocated to Masinga Project were taken away, and the project was not started. Whereas I have always thought that it is only God who gives and takes away, it is not so.

**Mr. Gatabaki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the [Mr. Gatabaki]

Assistant Minister to speak as if he is not a Member of this Government? Should the Assistant Minister not resign from being an Assistant Minister, instead of maligning the Government of President Moi?

**The Assistant Minister for Energy** (Col. Kiluta): Mr. Temporary Deputy Speaker, Sir, every area must get a fair share of their money. The reason why this money is being taken away is because the officers who were supposed to implement this project never did so. If they had implemented the project, this money would not have been re-allocated.

Mr. Temporary Deputy Speaker, the other area of concern is the medical services. Lately, we have had an outbreak of malaria and other diseases caused by the *El Nino* induced rains. This, compounded with other small problems, is causing untold suffering to our people. Some officers who are supposed to serve people have opened clinics and are taking drugs from Government hospitals to their clinics. Others have abandoned their dispensaries, for example, Amuthecia (?) and Masinga dispensaries. I have reported this to the MOH and the DDC, but no action has been taken.

**An hon. Member:** Report to the police!

**The Assistant Minister for Energy** (Col. Kiluta): I have even reported to the police!

Mr. Temporary Deputy Speaker, Sir, the only place I have not reported to is heaven. Could somebody not do something in this Ministry? I have never heard of any place where a director is demoted to the post of a deputy director, apart from the Ministry of Health, where a director of medical services was demoted to become a deputy elsewhere, and he accepted.

Mr. Temporary Deputy Speaker, Sir, we should make full use of the equipment at the department of defence, for example, to dig up boreholes.

With these remarks, I support the Motion.

**Dr. Leakey:** Mr. Temporary Deputy Speaker, Sir, it is with pleasure that I take this opportunity, and I would like to begin my contribution by making a suggestion: That, the Government is not going to solve the economic crisis of this country by these Supplementary Estimates, and we, in the Opposition are not going to solve the problems of this country by discussing these Supplementary Estimates, piece by piece. The only way we are going to solve the problems of our people in this country is to give them a sense of confidence that their leaders have recognized the need to work together and move forward.

Mr. Temporary Deputy Speaker, Sir, having said that, I must, in some sincerity, question, as I did when I first spoke in this august House, whether there was in fact, total sincerity on the Government side of the House. I fear that we may still be at the stage of playing games with words and manoeuvres. Unless we recognise the fundamental issue that this country is broke, and the only way to get it back on track is to get everybody working, we are not going forward. It is my honest and humble submission that neither this Government nor any other Government can solve the economic crisis of a country without creating an enabling environment.

Mr. Temporary Deputy Speaker, Sir, the private sector is far more important than foreign aid. But, at the moment, we are in a position where the private sector in this country has no confidence. With respect to the hon. Minister, I recently travelled to various capitals of the world, as he is aware, and the international leaders concerned with financing countries such as ours have no confidence in us. We have to create confidence among local and foreign investors and in the short-term, the multi-lateral institutions and the bi-laterals that could help us out of a hole that the Government - I regret to say - has created.

Mr. Temporary Deputy Speaker, Sir, having said that, I recognize that there are many Members in the

House who wish to speak, and I will not take the full time allowed to me. I would like to make two observations: One, this House recently instituted a series of committees that I believe are to work towards producing, in future, not only oversights of expenditures, but oversights of preparing budgets in all sectors of our economy. It is my hope that these committees will prevent the necessity of Supplementary estimates such as these, that the Minister has tabled. In my humble opinion - not knowing the boundaries of what is parliamentary or unparliamentary language, but being a speaker of English - there is a word that is used in other parliaments which, I believe, is within the bounds of parliamentary language which, most of you, perhaps, have not heard before, that fits much of what is in these Supplementary Estimates, which I suggest, may be humbug. If I have gone beyond what is entitled in the use of language, I will withdraw the word. But I believe there needs to be some further questions.

Mr. Temporary Deputy Speaker, Sir, I would like to ask the Minister, and I will ask him again at another occasion, whether these Supplementary Estimates, if passed - as inevitably, I believe they would be, having seen how the voting takes place - will cover the Government expenditure anticipated during the remainder of this Financial Year; or has the Minister got up his sleeve, which will be discovered by the Controller and Auditor-General in a couple of years from now, pending unpaid bills that are carried forward? It is my belief that there is K£400 million that has not been represented here, which is, in fact, unpaid bills carried forward, and which grossly alters the real position of the Government's liquidity and the real value of the Kenya Shilling in terms of our economy, and the world economy. If that is the case, I do not believe that this representation, and that hidden factor, will necessarily get the confidence that you need to get, for us to get out of the mess that we are in. It is my submission that the hon. Minister is in a difficult position--- It is also my submission that we are in a difficult situation and I suggest that, while we will inevitably pass these Estimates--- I hope that in remembrance of the life of this Parliament, hopefully, which will not be a full term, there will never again be the need to put forward documents that are incomplete and which do not necessarily reveal the seriousness of our position. Unless we get it right soon, there will be no need for us to sit here at all. I cannot support the Estimates which have been tabled in this House.

**The Minister for Co-operative Development** (Dr. Anangwe): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this debate. I would like to begin by saying that I beg to support the Motion on Supplementary Estimates for Recurrent and Development Expenditure.

Supplementary Estimates are a "tradition" of our Government. It is not always easy to anticipate all the variables that will come into play when you are budgeting at the beginning of the financial year, and more so, in a public Budget. Budgeting for the Government is not easy. It is an exercise in allocation of resources to competing demands, particularly of a political nature. Some of the criticisms that have risen in this House in respect of this Budget derive from the experience of budgeting for small firms and enterprises which some of these hon. Members may be having. Budgeting for the Government means budgeting for politics, and budgeting for politics is different from budgeting for private business.

There is a fundamental difference between managing the Government and managing private business. I need not dwell on the fundamental differences because of shortage of time. I would like to zero in on the dilemmas which face the Government amidst scarcity of resources. Indeed, there are serious dilemmas which the Opposition should appreciate. The Opposition should appreciate the Government has done its level best, at least, reconcile with them. I am sure that even if they were in power, the parameters that face the Government would equally face them and they would end up making the same choices when drawing up a Budget.

The first dilemma, which I would like to draw the attention of the House, is that we have a budget deficit while revenue resources are declining. I appreciate the sentiments that have been raised here. At 3.9 per cent of the Gross Domestic Product (GDP) for 1997/1998, the budget deficit is probably more than what the Kenyan tax payer can afford to pay. On the other hand, we must appreciate that donor assistance is declining. There are also strong anti-taxation pressure. Within these limited parameters, I recognise what the Government has done. It is asking for additional taxation from Kshs159.8 billion to Kshs163.3 billion. There is little the Government can do within the variables available, other than asking for additional taxation. Prof. Anyang'-Nyong'o made a contribution and said that when one is faced with a budget deficit he need not come up with extra taxation. There are only two alternatives in dealing with a budget deficit. They are either increasing taxation or reducing expenditure. Both options have been considered by this Government. So, the particular option adopted is, indeed, viable.

The other dilemma which faces the Kenyan Government with regard to the Budget is low taxes and increasing demand for quality and expanded public services. It is not always easy to reconcile these particular dilemmas. Indeed, it is true that at 19.6 per cent of GDP, the level of our taxation may be high. But it is not always right to say that Kenya is one of the countries with the highest level of taxation. Hon. Ndubai misled this House when he said that when expressed as a percentage of the GDP, Kenya's level of taxation is one of the highest in the

world. In fact, the most highly taxed citizens in this continent are those of Lesotho, Egypt and South Africa. Kenya hardly comes near these countries, if we go by the evidence that is available. Notwithstanding that, there is need for this country to invest in the public sector in order to meet the demand for quality service and expand public services.

I cannot tell the people of Butere that the Government will not be able to provide health services, tarmac roads and supply water, because it has decided to lower the taxes in order to meet the demands of the time. My people expect the Government to spend money. But we have the balance expenditure against competing demands as well as various options which constrain our ability to be able to manoeuvre.

Mr. Temporary Deputy Speaker, Sir, the other dilemma is the financial allocation imbalance between personal emoluments, operations and maintenance. We spend about 39 per cent of our ordinary revenue on salaries, but we spend very little on operations and maintenance. There is no point of paying civil servants salaries, when you do not provide them with the requisite equipment to be able to discharge their duties effectively. This particular anomaly within our Budget is being addressed. That is why we are coming up with the retrenchment exercise. We hope most hon. Members will support the retrenchment exercise, because it is one option through which we can create some savings so that we will invest in operations and maintenance.

The last dilemma relates to retrenchment, on one hand, and the need to create employment opportunities for Kenyans, on the other. It is one of our goals to alleviate poverty and reduce unemployment in our country. Sometimes, it is very difficult for Kenyans to understand when we say that we are retrenching people or are cutting down on public employment. The pressures are really on us. I am saying that these kinds of problems have been addressed adequately. What we can do now is to congratulate the Minister for Finance for the way in which he has handled this issue, in spite of the fact that some people may be raising reservations. I think I have every right to congratulate the son of the late Senior Chief Nyandusi, for having done a very good job. May I draw the attention of the House to a matter that is of great importance to me. It is in Vote R31, Ministry of Education and Human Resource Development. There is K£52.6 million for university salaries. This is a welcome development and it should be encouraged. University lecturers have suffered tremendously because of poor pay. This had resulted in a brain-drain. There are very good reasons why we should invest in motivated dons. When they are motivated, they do research, teach our children well and they can invest their energies in productive activities. After all, we are aiming for industrialisation by the next millennium. But without a good human resource capital, it may be very difficult for us to achieve the same.

Mr. Temporary Deputy Speaker, Sir, I know that time is limited, but I would like to draw the attention of the House to the very fact that, sometimes, when we are looking for options on how to tackle problems of revenue, wealth and resources to manage the economy, we tend to zero in on the domestic environment. There are opportunities elsewhere, particularly in the external economic environment, which do adversely affect our ability to generate resources.

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

**The Member for Mwala** (Mr. Katuku): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Motion. This is my first time to speak in this House. I must thank you very much for giving me this opportunity to make my maiden speech, and to contribute to the debate before the House. I was getting apprehensive due to the fact that I have been trying to catch your eye for the last two weeks, and bearing in mind that my predecessor did not even make a maiden speech in this House, I was getting worried. I was asking myself whether it could have been the mistake of the Speaker, or the hon. Member himself.

Before I go to the details of this Motion, I would like to thank Mwala people who elected me, young as I am, to represent them in this important House. More so, I particularly thank the youth who stood by me when this notorious KANU Government wanted to rig me out. If you can remember very well, it is in Mwala Constituency where the Returning Officer was either poisoned, or he took poison while resisting powers from above to declare the loser to be the winner. I must say that the youth did a great job.

Mwala constituency is very peculiar in its own way. It is a place where a Member of Parliament cannot get to his home. Since I was elected to this House, I have never been to my home. This is because the roads there are impassable. We went with the Minister for Public Works and Housing who witnessed the bad condition of the roads. Even hon. Ndambuki, the Minister of State, Office of the President was there. The Government promised that it will do something to the Wamunyu-Kalawa Road, but up to now, they have done nothing; yet, they gave us three weeks during which they would do something. I was there over the weekend and I could not get home. The roads in Mwala are in a pathetic state. There are dams on those roads. When I was campaigning, I used those dams. I had named one after a certain person in the KANU Government. Those dams are still there.

The Mwala-Kangundo Road is also impassable. Even the road which leads to Muthetheni is impassable, and we are here to vote for more money for the Ministry. I do not know what is happening. I am very reluctant to support this Motion but because I cannot reach home, I will support this Motion with the understanding that the Minister will do something so that Mwala people can get home. It is very interesting that, 35 years after Independence, and KANU has been in the Government, money has been voted for them for similar activities, but nothing has been done. Right now, they are talking about the *El Nino* and yet, these roads were even worse before the *El Nino*.

On the Supplementary Estimates, we are being requested to vote for more money for security departments. When you are attacked and you go to the police, nothing is done. They tell you that there is no fuel or transport. Why do we have to vote for more money, when we cannot get the services? For example, we have insecurity along the Machakos-Kitui Road. We used to have insecurity along the Mombasa. At night, you cannot move from Machakos to Kitui, or to Nairobi because of thugs. The police does completely nothing. We complain to the officer commanding Machakos Police Station (OCS) but he says that he has no fuel. What do we do? Do we have to vote for money for people to "eat"? Is it the Government or the officers in the Ministries who "eat" the money? We must show some commitment here, when we are asking for this money. This is because we are voting taxpayers money. I am a taxpayer and those who voted for me to this Parliament are taxpayers, and yet we are demanding money from them, so that we can give them services. When I read the Supplementary Estimates, I kept on wondering whether these people are serious. Is it possible that they have already used the money? What is happening? One thing came to my mind very clearly. When I looked at the figures for the Ministry of Education and Human Resource Development, I was surprised to see some of the details that they want the money for. They are talking of school milk and primary schools equipment. There is no equipment which is provided to schools. I do not know what that money is meant for. We talk of school milk but in Mwala, we have never received that milk. There are a few times we used to get this milk, but it would be spoilt by the time it reached us. There is collusion between the suppliers of the milk and the Government. They just ask for money but no milk is supplied.

The other thing that surprised is on figure for uniforms under the same Ministry. Who are provided with these uniforms? Are they for hon. Nyachae's constituency? Who is the person who gets these uniforms in primary schools? That is very interesting. What makes this worse is that we are talking about a Ministry that gets 40 per cent of the total Budget. It takes the lion's share of our Budget. I appreciate the services that they are giving, and teachers should be paid more. Their salary demands should be implemented. But the question is, are we giving the services required? For example, we had a directive about activity fees in primary schools. As we talk here, there is no activity going on in primary schools. we are only concentrating on teaching these kids a long syllabus. They are not engaged in any playing. There is no football or any indoor games. How do you expect those pupils to cope with the 8-4-4 syllabus which is so tedious? We need to develop the talents of those children by introducing activities in primary schools. When I was going through these Estimates, I did not see anything about financing activities in primary schools. The Ministry promised sometime back that it will fund school activities but that is not shown in these Estimates. That is pathetic.

Mr. Temporary Deputy Speaker, Sir, a lot of taxpayers' money is used to finance the universities and yet, there is no independence in those universities. Time has come to let our universities operate independently. We do not want to hear of cases like those of Kenyatta University students who rioted because of land clashes and seven students had to be sent home because the Vice-chancellor there is appointed by the Chancellor, who is a politician. We need to have an independent chancellor. It is important that our institutions are run independently.

With those remarks, I beg to support.

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

Mr. Temporary Deputy Speaker, Sir, we are talking about Supplementary Estimates but we are only two months to the next Budget. We know that in the next Budget, there will be other taxations. When one looks at the re-allocation here, one remarkable thing, as one analyses these figures is that the money we are about to allocate is for paying salaries. So, the whole exercise is to make sure that we approve 80 per cent of the money which is needed for paying salaries. Very little will be spend on anything else. So, as a nation, and as heavily taxed as we are, one of the things which we have to realise is that the money collected is for paying salaries; so that people may live comfortably. That is one of the most major challenges before us. The Minister for Finance did announce that they were going to tackle this problem and retrench the Civil Service. Has that decision been made firmly by the Government or it is only the wish of those at the Treasury? That is the doubt which is in the minds of people. As Dr. Leakey did say, what is required is to create confidence, that we shall do what we say.

But our history is not like that. The Government has made promises which it never fulfils. Indeed, more often than not, it does the opposite. So, we hear on the one hand that the Government is retrenching, but on the other hand, it is recruiting very many others. By so doing, the retrenchment is nullified. The Minister should give that assurance. It is true, as hon. Dr. Anangwe said, that the option we have is to tax people but Kenyans are overtaxed. If we do an analysis of who pays these taxes, we will find that we are pursuing the same people in Kenya, year after year.

Mr. Temporary Deputy Speaker, Sir, more often than not, we talk about sharing the national cake. We must first know who makes this cake. Some people do not seem to care. They think the cake comes from heaven, lands there, and it has to be shared equally, fairly or equitably. They use all the English they know. I agree that the cake must be shared equitably, but the level we have reached today, if we want Kenyans to revive the economy, the answer is not to tax them more, because the money from taxation goes towards the payment of salaries which is consumption. The answer is to leave more money with them, and more particularly their savings which are in banks. But the Government today, has already borrowed from these banks Kshs150 billion to be re-paid at the interest rate of 28 per cent, which means the banks have no money to lend to the private sector.

Unless the private sector has access to savings in the banks, we will have no revival in the economy and that is what we are seeking. Therefore, whatever other problem there is, the primary decision which has to be made now, while preparing the Budget is to reduce taxation and more particularly VAT and Company Tax. In that regard, we shall reduce expenditure.

Mr. Temporary Deputy Speaker, Sir, when we sell off some of our unviable parastatals, that money should be used to reduce the Kshs150 billion which is borrowed locally. That total lumpsome of Kshs150 billion will hung around the Treasury like a big albertross and it will never go away. We will keep borrowing to re-pay the loan and in the meantime, we shall remain stagnant, but we shall enjoy seeing very good reports being sent to the IMF and good annual reports stating that the banks make billions of money but the economy is stagnant. The only way to break that cycle is to reduce that debt. Can the Minister for Finance convince the Government that there is no other answer to this problem apart from reducing that debt? If we cannot do that, then we are telling Kenyans stories. We are not serious. However hard it is and whatever it is going to mean, that vicious cycle must be broken by stopping borrowing and allowing Kenyans to have access to savings so that they may invest those savings. That is all we are pleading for. In any case, the taxpayers in this nation, particularly the peasant farmer who is earning the foreign exchange which we now need--- Imagine the man who is keeping two cows and when he sells his milk, he has to pay presumptive tax on a gross figure before he has even deducted the cost of the animal feed. It is illegal to do that. So, may I plead with the Minister to abolish presumptive tax altogether so that the peasant farmer who earns the foreign exchange for this nation may have some way of increasing his earning capacity. That is what the nation depends on and we must feed him. He is the origin of this cake which you keep on talking about. If we do not look after the welfare of the peasant farmer, then we are not progressing.

Finally, I would like to plead with the Government to take action on security after this money has been voted. There is no need for the police to tell us that the current spell of raids in Likoni are normal criminal activities. What is normal, about 40 people being organised, having a leader and being able to invade seven different spots, in the same small area? There are police officers stationed at Likoni, Ukunda and everywhere. But those people were not pursued and we are being told that it was normal criminal activities. How can we tell the world that an organisation of 50 armed people could invade seven different spots in the same locality and that it is normal? Will the Minister in charge of the Police tell them to stop talking any English because they do not understand it? They are ruining the status of the Kenyan nation. How can you say those criminal activities are normal? We have ruined tourism because of that violence. Tourism as we all know, is one department which should be quickly whipped up, renovated and brought back to being an employer by earning some money from abroad. That is what we all want to do. We cannot do that unless the Government restores peace.

You cannot ask any international organisation to assist you because it is your primary job to preserve peace. But then you are promoting fighting. The Marakwets are being finished by the Pokots. A Government Minister has been allowed to organise people in West Pokot to kill the Marakwets.

Mr. Temporary Deputy Speaker, Sir, how can the President allow a Government Minister to go on agitating violence without taking any action against him? How can we pretend to the world that we are about to take some action to restore peace and stability in this country? This is not true!

Finally, Mr. Temporary Deputy Speaker, Sir, may I say---

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

**The Temporary Deputy Speaker (Dr. Kituyi):** Not allowed!

**Mr. Kibaki:** Mr. Temporary Deputy Speaker, Sir, Dr. Leaky has raised a point which was also raised by other Members earlier. The total sum of the money owed Kenyans by the Government for services rendered by

contractors and suppliers is being ignored. It is not reflected in the accounts they present to the International Monetary Fund (IMF), the World Bank and other concerned parties. In other words, we are ignoring what we owe our own people. So, I think it is a mistake to do that. When the Minister comes to reply, I would like him to say whether he will bring those figures on board and reflect them in this year's Budget or dismiss them and continue hiding them under the carpet? Finally, I want to raise one particular issue. The Government has the tendency of committing itself to do particular roads. For example, it has committed itself to construct the Muranga/Kangema/Othaya Road whose estimates were reflected in the Budget for the last three consecutive years, during which period a contractor was given the job. However, so far, no work has been done on this road. What commitment does the Government have in a construction company called HZ & Company to which it has awarded the contract which never begins despite funds being allocated for the work every year? Some of the money has been "eaten" away. I want the Minister concerned to explain why work on this road has not began.

(Applause)

**The Minister for Planning and National Development** (Prof. Saitoti): Thank you very much Mr. Temporary Deputy Speaker, Sir. I just want to say that, indeed, the purpose of the Supplementary Budget is to take into account the various events that may have taken place after the Annual Budget has already been presented. In this case, it is very clear from the Order Paper, that in the case of both Recurrent and Development Expenditure, we are voting some money but there is, of course, a major reduction. If you look into the case of the Development Expenditure, for example, you will realise that the reduction is even much bigger. Now, why are we doing this?

Mr. Temporary Deputy Speaker, Sir, we will recall that last year was a year of elections which is an important Constitutional obligation that had to be met. The Kenyan people had to elect us into this House. Without that election, we would not be in this House. There were some overruns which were substantial on the part of the Electoral Commission of Kenya (ECK). The ECK is neither part of the Government nor KANU, because Members of the Opposition are also represented there. So, that is one of the causes of the problem. The other problem has to do with education. We can remember that last year the teachers demanded major salary and allowances increments. When it appeared that this was not forthcoming, there came the problems of the strike they staged. We could not allow our children to stay at home without getting education which is a right to them. We had to make sure that our children are not only educated, but that they also receive quality education. The teachers' demands were such that the Government found it extremely difficult to manoeuvre.

That in itself meant that, we had to cough up a substantial amount of money; about Kshs4 billion. The money in the case of Electoral Commission of Kenya the overruns and the substantial award for the teachers was not catered for in the original Budget. I think, it is only recently that we were able to witness the problems of the *El-Nino* rains. That again was nature and there is little we could do about it. It wrecked havoc; bridges and roads were washed away. There were major problems of diseases. An emergency fund had to be put into place. Again, all that money was not catered for in the original Budget. There were many other overruns which came in, but the most important thing is that, the original Budget needed to be revised to take into account those unexpected occurrences.

**Dr. Ochuodho:** On a point of order, Mr. Deputy Speaker, Sir. Is hon. Saitoti in order to enumerate all the calamities while, forgetting to mention the Goldenberg case that cost this country more than Kshs20 billion?

**The Minister for Planning and National Development** (Prof. Saitoti): Mr. Deputy Speaker, Sir, I shall not mention anything which is already in court. I believe the hon. Member is new and he ought to read the Standing Order which says that anything which is before a court of law is *sub judice* and cannot be discussed here. On that matter, the court will itself decide. But, I think, the difficulty that we do have--- I am very happy about the positive attitude which has been demonstrated in this House. We realise that we have economic problems and that we need to get out of the situation. The major problem which we have talked about, and as hon. Kibaki said--- Yes, we have a domestic debt which is approaching Kshs150 billion. Some of these problems have come about because of some of these issues I did talk about. For example, the problem of salaries, natural calamities and many other things. We have a debt of about Kshs150 billion. This is a problem that we have to face. It is a problem that we have to find ways of solving.

Mr. Deputy Speaker, Sir, in as much as there is that sort of domestic debt--- Let us try to understand the problem of the domestic debt. The domestic debt has got two facets. The first facet is that it is short-term; meaning that it has got to be repaid within a very short time. This is why Treasury Bills are being floated for 90 days, six months, 360 days and every week. The Government has got to go to the market for that reason.

Another facet relates to the very high interest rates accruing here. For whatever we have to repay, we



have to repay it with very high interest accruals. The meaning of such a huge short-term domestic debt with very high rates does show me that we are crowding out the private sector from the banking sector. Our intention here, I believe, in a very modest way, as far as the Minister for Finance has done, is that in this sort of reduction, it is a way of trying to ensure that a ceiling is put on the cost of the domestic debt. There is that realisation on the part of the Government that we cannot afford to allow this domestic debt to keep on growing. That is why we are saying that we have to ensure that there is reduction, especially on the Development and Recurrent Expenditure. It is extremely painful for the time being, but we have to do so if, indeed, we are going to ensure that there is going to be money in the banks which can be borrowed by the private sector. If the private sector cannot grow, then the economy cannot grow, and if the economy cannot grow, then we cannot be able to have any job creation.

Mr. Deputy Speaker, Sir, these are two biggest problems; the problem of unemployment and poverty. We will not be able to solve these ones unless we get the economy growing. We have to tighten our own belts. This is exactly what the Minister for Finance has done here, in this particular presentation.

Mr. Deputy Speaker, Sir, in terms of taxation, I believe that at this particular time, the Supplementary Budget is not addressing itself to taxation. This is a time when the Minister for Finance is very busy thinking in terms of how he is going to formulate his own taxation measures in the next two months. I know it is going to be difficult, there is no doubt and I think, we can accept that. There is very little elasticity or room for manoeuvre for that matter, in matters of high taxation. We do not want to pre-empt what the Minister is going to do, but I can say for sure that, indeed, the scenario is extremely difficult. I am sure the Minister will come up, during Budget in June, with a spectrum of incentives which are going to be given to the private sector, so that it can grow. I do believe, and I have no doubt about that, that the Minister must be thinking on how we are going to reduce this domestic debt. The Government will have to have a rather lean Budget.

Mr. Deputy Speaker, Sir, another important thing is about the IMF and the World Bank. Let me say that, having dealt with these Bretton Woods Institutions for a number of years, it is not the money we are going to receive from the IMF but the ESAF package, of slightly over US\$200 million. It comes in tranches. The first tranche will not even be US\$48 million. That in itself will not be able to bring down the domestic debt. The most important thing to be recognised here, is that, in the global world economy today, if we do not have an arrangement with the IMF or the World Bank, then nobody wants to look at us. That is the only thing. We need to reach an agreement and we are committed as Government, and the Minister knows that he has got the backing of the Government. We must go back to serious discussions with the Fund for the purpose of making sure that we do have that kind of a green light, so that we can be able to go to the world market to solve these problems. This debt of Kshs150 billion is substantial and we have to find ways of solving it. We want the international community to assist us on that. We want to send strong messages. We are going to take difficult decisions. We will retrench as the Minister for Finance has said and we will bring down the wage bill. This does not mean that we are going to sack people; on the contrary, that is not what it is. The aim of cutting down the wage bill is to ensure that we will constrain and control the growth of expenditure on wages.

Mr. Deputy Speaker, Sir, wage guidelines will have to be looked at very cautiously. We are not going to throw out the teachers and, they should not think that they are going to be thrown out. But we have got to look into this issue very carefully. When talking about education and from experience of what we had, we need---

Mr. Deputy Speaker, Sir, I beg to support.

**Mr. Anyona:** Thank you very much, Mr. Deputy Speaker, Sir, for---

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

**Mr. Deputy Speaker:** Order, hon. Nyagah!

**Mr. N. Nyagah:** My Point of order is valid, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Only the Chair can rule whether the point of order is valid or not, hon. Nyagah.

**Mr. N. Nyagah:** Mr. Deputy Speaker, Sir, this House is composed of more than 200 hon. Members. And, very many of us who will not have a chance to speak on this Motion may be mere bystanders. But in future--- I have brought it to the attention of the Chair that, those who have not spoken should be given an opportunity. And not to be---

**Mr. Deputy Speaker:** Order! There are ten political parties in this country and each one of them has a say. It is not possible for the Chair to pick on Members whose parties had been given the chance to contribute to the Motion.

Hon. Anyona, can you proceed.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I really do not want to spend a lot of time in discussing procedural matters. We raised that issue in the House Business Committee, through Hon. Nyagah but it was ignored. When the Motion was moved yesterday, that issue should have been taken account of. We cited the old

days when the Supplementary Estimates used to take a minimum of three days. It is very unfair to try to have ones own cake and eat it. Members came here to contribute and it is very unfair to go away without contributing to that Motion.

I listened to both Hon. George Saitoti and Hon. Anangwe very clearly when they were contributing to the Motion. They said the Government has tried to alleviate the economic problems facing the country. I think nobody is denying that, but we are over 34 years old as an independent nation. The ruling party has been in power all that time. There has never been any change of Government in terms of political parties all that time, except maybe, changes of tribes. But that is neither here nor there. To say the Government has tried is not the truth. I feel the Government has not tried hard enough. If the Government thinks it has tried hard enough, then that hard enough is not good enough.

Mr. Deputy Speaker, Sir, we have heard debates on the Supplementary Estimates, as it has been over the years. I want to differ with the positions taken by my colleagues. Those were different kinds of Supplementary Estimates. These are not ordinary Supplementary Estimates, compared to those we have dealt with in the past.

Mr. Deputy Speaker, Sir, in the past, when the national affairs of this country were managed properly, there were never Supplementary Estimates. There was only one Budget which was read once, as we waited for the next Budget. The first sign of mismanagement of national affairs is the occurrence of Supplementary Estimates. This situation has been caused by officers of Government who have been allowed to escalate the Budget and ignore the provisions in the Budget. That is why many of these white elephant projects came about.

Mr. Deputy Speaker, Sir, this new Eighth Parliament should put to an end, such Supplementary Estimates. In future, we do not want to hear in this House about Supplementary Estimates. I would like the current Minister for Finance, who is an experienced person in public administration and management of public finances, to set the ball rolling so that, these will be the last Supplementary Estimates this House will deal with.

Mr. Deputy Speaker, Sir, there are two reasons for having Supplementary Estimates. Firstly, there could be over-expenditure, expenditure that is not authorised. That is how we lost control. This has to stop. Secondly, there could be shortfall in revenue collections. This was allowed because people did not pay any revenue. The revenue collected from those who paid went into the pockets of other individuals, who themselves did not pay the revenue. In both cases, we can never know the cause, until may be after many years.

Mr. Deputy Speaker, Sir, we should eliminate those two grounds causing Supplementary Estimates. The only reason that could be genuine is in cases of emergencies. I prefer to call these Estimates *El-Nino* Supplementary Estimates because in one way, they have been caused by unusual circumstances. We had *El Nino* draught which caused famine and forced us to import food. We again, had *El Nino* rains which did a lot of damage to the infrastructure. As a result, we have been forced to cut back on our development. Without development, it has been said by many economists, the cake will not get bigger: it will be smaller.

Mr. Deputy Speaker, Sir, there has been a misunderstanding whether the Government has the power to cut the salaries of Kenyans. My position is that, constitutionally the Government cannot reduce the salary of any Kenyan worker, unless it becomes a disciplinary matter and the legal provisions allow for it. This misunderstanding is caused by a lot of politics directed to the Ministry of Finance, although I am not defending the Minister because he comes from my community. There is no way the Minister could have sought to cut salaries of Kenyan workers because he is very experienced on this matter. Let Kenyans rest assured that their salaries cannot be cut. Only the Wage Bill can be freezed, as explained by Hon. Saitoti.

Mr. Deputy Speaker, Sir, we experienced in the country recently, the bankers' strike which was later quelled by the Minister. There is still some misunderstanding whether that tax was suspended for good or it will be brought before the House for deliberations. My submission is that under Section 123 of the Income Tax Act, that Act was abandoned and the tax cannot be collected as it is extinguished. So, Kenyans should be told this good news. The Government should tell Kenyans that for the rest of this year, that tax cannot be collected. So, they have got a tax relief. I want the Minister to cross-check, as it is the legal position. No one is allowed to collect that tax and if it is done, then that person has broken the law. All Kenyans can continue enjoying their benefits tax-free.

Mr. Deputy Speaker, Sir, Kenya has been facing, for quite sometime, problems like teacher's strike and tough conditions from the World Bank. If there is any economic crisis, the Government should tell us. The economy should be put on a war footing to resuscitate it. The Cabinet should be more compact. We should reduce the Ministries, so that some of them become Ministers of State. That is what they do in Britain when they have economic problems. We want a public statement from the Government on the state of the economy. Now, those issues have developed into a tug of war between the Press and the Minister. We know that there are many

people who do not mean well for the country and Hon. Nyachae. If there is an economic crisis in this country, we should then close ranks and bury our differences. But the ostentation of expensive vehicles at the Parliament Buildings is another big problem. All these big cars I see being driven to this Parliament in a situation of an economic crisis like this, should be looked into. The Minister should put all these vehicles aside, so that the bill on fuel is reduced until we recover. There is no way one can reduce the Wage Bill and continue to import and fuel all these huge cars I see being driven around. This means you are not serious.

Mr. Deputy Speaker, Sir, it is undignified for any leader to ask the IMF and World Bank to cut aid to this country. It is unpatriotic to do that, when there are problems in the country. Today, it is the Opposition who are calling for the aid cut, by virtue of being on the opposite side, and it is likely for KANU to do the same when they will be out of power. This country does not belong to either of us.

Mr. Deputy Speaker, Sir, I beg to Support.

**The Member for Ikolomani** (Mr. Mugalla): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to make my contribution. I am hon. Joseph Mugalla, Member for Ikolomani, Kakamega District.

First of all, I wish to take this opportunity to thank the substantive Speaker and Mr. Deputy Speaker for being elected to guide this House. I also wish to thank the people of Ikolomani for electing me to represent them in this House. One issue that I would wish this House to take note of is the fact that an impression has been created here to the effect that most of the Recurrent Expenditure is being used to pay wages. But if we look at the events that have taken place, it will not be a fair reflection that a big share of the Government revenue is going towards the payment of salaries. We have had unusual events in the 1997/98 Financial Year such as the Likoni disturbance, the general elections, Molo-Laikipia disturbances and so on. Definitely, these events have actually taken a lot of Government revenue. The question here is: When we say that we want to reduce the Civil Service by 100,000 employees, is it because we do not need them or is it because we want to reduce the expenditure? We must come up with an answer to that question.

Mr. Deputy Speaker, Sir, human resource is the biggest asset to a nation. It is the human resource that causes development to take place and if we are going to cut human resource of a government by 100,000 people, it therefore implies that we are putting a stop to development. I have heard people talk a lot about teachers, but we already know that in this country there are a lot of areas that do not have teachers. If we have a population growth, then we are definitely going to have growth in teaching manpower. So, how are we going to have growth in population and stop growth in teaching manpower?

Mr. Deputy Speaker, Sir, the other point which is worth noting is: How have we arrived at the golden figure of 100,000 workers? Are we just going to go with an axe and cut down 100,000 workers? The experience of the infamous "Golden Handshake" should never be repeated because what happened is that, the Accounting Officers laid off efficient workers and retained the inefficient ones. The biggest responsibility of a country is to create employment, not to diminish employment. We already have a lot of our people who are unemployed. Our industrial area is Gikomba Market because if you tell us that Mwananchi's industrial area is in the Enterprise Road, we do not have any wananchi's industries there. Wananchi's industry is in Gikomba because that is where they get their clothes, shoes and other needs, although it has no toilet and other necessary facilities. Are you telling us that you want to condemn more workers to Gikomba?

Mr. Deputy Speaker, Sir, what would be more reasonable would be to do job evaluation before any restructuring is done, so that we can have an efficient Civil Service. The restructuring of the Civil Service does not necessarily mean redundancies. Once jobs are evaluated, classified and allocated, then we can see what is surplus in labour. Unless these methods are followed, we are going to have a big problem in this country. There is enough evidence that the Government can cut down or increase its revenue without necessarily interfering with the Civil Service and the teachers. These are the most poorly paid people in this country. If the workers are going to be sacrificed in this country so as to allow bankers and other rich people to rip maximum benefits from the Treasury Bills, then we are not being reasonable and sensitive.

Mr. Deputy Speaker, Sir, I support the Motion with those reservations. Thank you.

**The Member for Mathira** (Mr. Wamae): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this important Motion on Supplementary Estimates.

It is an important Motion because it indicates the way the finances and the Kenyan economy is moving. I have a lot of sympathy for the new Minister for Finance. This is because he is trying to handle a mess which has been created for the last seven to eight years and it is not going to be easy for him. I know he is hardworking and he has long experience in the public service, but this is going to be an impossible task for him because Kenya is at crossroads. Our country is broke and handling such a country is not easy. We were told yesterday that the African Tours and Hotels (ATH) is insolvent. Kenya is also nearly being insolvent. In fact, we have reached that stage and it is not going to be easy to solve these problems.

Mr. Deputy Speaker, Sir, these problems accumulated even before 1991. They became worse in 1992 during the general elections and in 1993 we started saying that we were going to mop up the money that we had put into the economy during the elections. That is the *jirongos* that we put in the economy. So, we floated Kshs18 billion as treasury bills and, now we are talking about Kshs150 billion. We are also paying 27 per cent interest. We are paying about Kshs38 to 40 billion in form of interest alone. This is an impossible task when our total revenue is Kshs150 billion. How are we going to get ourselves out of this mess?

Mr. Deputy Speaker, Sir, what the Minister has tried to do is to first of all increase taxation. He has increased Value Added Tax (VAT). He has increased the Petroleum Levy. He has also increased a few other things to try to get more revenue. At the same time there are also efforts to stop the pilferage of taxation through corrupt methods of selling untaxed petroleum and so forth. But that is only one side of the story. Are Kenyans going to be able to pay these taxes? We are already spending 27 to 28 per cent of our total Gross Domestic Product (GDP) on taxes and nobody can come here and say that, that rate of taxation is not high for Kenyans. It is high. We are, therefore, taking a lot of resources from the system to the Government and the private sector is being denied resources which they can use for development.

Mr. Deputy Speaker, Sir, the interest rate now that the Government is paying is 27 per cent and all the banks, financial institutions and individuals are taking money to the Government because there is no risk. When a private individual wants to borrow money from banking institutions besides giving tangible security, one is required to pay 32 to 38 per cent interest. No business of whatever nature can afford to pay that interest rate and survive. The Minister for Finance is a good businessman. I would like to see how he is going to pay that interest from his own business and survive. It is an impossible task.

Mr. Deputy Speaker, Sir, so, how are we going to break this cycle? This is because we must get Kshs150 billion plus Kshs38 to 40 billion as interest out of the system so that we can move forward and so that this money can be made available to the private sector, who are responsible for the economic growth. This is the crux of the matter and this is the area where we require all the wisemen and women to show us how to get out of this mess.

Mr. Deputy Speaker, Sir, there are only two ways of dealing with this situation. One of them is to default in paying these treasury bills and face the consequences. Secondly, is to go and get somebody to bail you out. Go to the International Monetary Fund (IMF) and other bilateral donors and tell them: "Please take over this Kshs150 billion from our hands and give us a repayable loan in ten to 20 years, at an interest rate of five to ten per cent". This can be our only way out, but the way the Minister for Finance is now proposing is only a short-term measure, which is not going to solve the real crux of the matter. This is because when we come here in July, he will not have paid this Kshs150 billion treasury bills. He will still be faced with interest rates on these treasury bills of Kshs30 to 40 billion. So, the problem will still be around our necks. The grinding stone is still around us and we have not solved the problem. We are only having temporary parities because we have not cut out the malignancy of the disease. We have to do more than that and I hope when we go to Mombasa, maybe we can talk there more freely without the media and find out---

**Mr. Deputy Speaker:** Order! Hon. Members, you will recall that yesterday before debate commenced on this Motion, it was to be continued for two days with the Mover being allowed half-an-hour and the Official respondent also being allowed half-an-hour. It is now time for hon. Minister to respond unless of course, he feels that he can allow some of his time to another Member who has not spoken so far.

**The Minister for Finance** (Mr. Nyachae): Thank you, Mr. Deputy Speaker, Sir. I wish there was enough time so that I could allow my other colleagues to contribute, but the decision was taken by this House yesterday and I think, I need the few minutes that are remaining to respond.

Mr. Deputy Speaker, Sir, I would like to take this opportunity, first to thank all the hon. Members of this House who have made very useful contributions on this Motion on Supplementary Estimates for 1997/1998 Financial Year. I would like to assure the hon. Members that, whatever comments they have come up with will be taken seriously and corrective action will be taken where it is necessary. Let me, however, respond to some of the more important issues and not every issue that has been raised, but what I consider the most urgent and important for this particular Motion and the debate that has followed.

Mr. Deputy Speaker, Sir, as regards policy measures to deal with the current economic situation, I want to assure the House that these measures are being worked out and will be brought to this House more comprehensively and clearly when I present the 1998/1999 Budget to this House. I do share the concern of hon. Members on the excess expenditure incurred by the Electoral Commission and the need to have a separate Accounting Officers for the Commission. I wish to inform hon. Members that from 1st July, 1998, the Electoral Commission will be a separate accounting unit from the National Assembly and will have its own Accounting Officer appointed by the Treasury.

Mr. Deputy Speaker, Sir, I entirely agree with the concerns of hon. Members on the domestic debt

situation and the need to bring it down through expenditure reduction. This will be the main focus of the 1998/1999 budget, so that we can live within our means and not to borrow afresh through Treasury Bills. One point that I would like to make on this particular issue which was not mentioned by hon. Members is that, out of a sum of revenue amounting to Kshs160 billion in the form of taxation because of very heavy borrowing, we are paying more than Kshs30 billion in the form of interest out of the revenue collected. That is a very serious situation for the country and we cannot afford to continue in this manner.

**An Hon. Member:** But hon. Wamae mentioned the figures!

**The Minister for Finance (Mr. Nyachae):** Mr. Deputy Speaker, Sir, I am being reminded that the hon. Member for Mathira did mention the figures.

Mr. Deputy Speaker, Sir, on the issue of reduction contained in the Revised Estimates, as I said yesterday, was found necessary in the interim period, to reduce the budget deficit and domestic debt.

Mr. Deputy Speaker, Sir, at this juncture, I would like to comment on what hon. Leakey said regarding the amount of money requested in the Supplementary Estimates. It makes him fear that there may be other debts whose allocations are not included in this Financial Year's budgetary provisions. The truth of the matter is that, over the years there has been an accumulation of outstanding bills. I could not have included the total amount for outstanding bills in the Supplementary Estimates because that would have become unmanageable.

There is an element of over expenditure by the Electoral Commission. I would like to inform this House that at the end of this Financial Year, we will still carry forward outstanding bills to the next financial year. This is because as at February, 1998 the amount for pending bills was more than Kshs6 billion. By the end of the Financial Year, we will carry forward an outstanding bills amount owed to local creditors, of about Kshs4 billion.

There is no need for me to hide from Kenyans the financial problem facing the country. I am obliged to point out the predicament in which we are.

I also do share the concern of hon. Members on the need to complete the on-going projects. I would like to assure hon. Members that our intention now is not to over-stretch the resources over many projects, but to complete a limited number of on-going projects on a priority basis before initiating new ones. It does not make any sense to have so many uncompleted projects and at the same time, we start new ones. Let us complete the on-going projects before we start new ones.

I do agree with hon. Members that the Government should not borrow to finance the Recurrent Expenditure, especially salaries. With this in mind, measures will have to be put in place, to contain the overall wage bill within sustainable levels. When I talk of containing the wage bill, I do not mean reducing the current salaries. This will require a substantial reduction in the number of civil servants and teachers, so that over a period of time, we can pay our employees better salaries. Whether we like it or not, it is a fact that we will have to employ new officers, but the economy must be given time to grow in order to accommodate the unemployed youth in this country. Unless, the economy grows, we will only continue to pay salaries to our employees. If the economy improves, we will pay our employees better salaries and also employ other people. The unemployed youth must be considered when the economy improves.

The economic situation in this country will be uncontrolled if we do not address it squarely. Some people may comment negatively on what I have said about the economic situation, but I must tell Kenyans what is happening with our economy. If our economy continues on the same trend, then this country will find itself in a crisis, even in education. As I am talking in this House, the Ministry of Education has already been allocated 37 per cent of the total money collected from taxpayers. This is equivalent to Kshs40 billion. Out of this, 80 per cent is spent on paying salaries. What are we doing? Are we seriously thinking about education of our children when there are no equipment and books in schools? Do you want us to continue paying teachers good salaries even if there are no equipment in schools? Parents will not have faith in us, as their leaders, if we are not concerned about education of their children. Most of hon. Members in this House are above 40 years old and they are about to pass away. Let us think about the education of our children.

Mr. Temporary Deputy Speaker, Sir, I would like to tell this House that it is not only the problem of teachers' salaries that is facing the country: The total Recurrent Expenditure in the Civil Service, including teachers' salaries is 54 per cent. In the private sector, the maximum wage bill is only 15 per cent. The situation is very serious. This 54 per cent comes from the taxes from all Kenyans. We tax almost everybody in this country. We tax all those who buy sodas, sukuma wiki, kimbo, cooking fat and so on. We are heavily taxing poor people in this country and yet, we want to use that money so recklessly. We have to change our attitude.

I would like to bring to the attention of hon. Members in this House that, we need co-operation of all Kenyans in order to fight corruption in the country, implement taxation measures and so on. I would like to appeal to hon. Members to support revenue collectors in terms of giving them information about tax evaders, so that action can be taken against them. It does not serve any purpose to complain about tax evasion in this House, when you have not informed the tax collectors about it.

Mr. Deputy Speaker, Sir, hon. Muite yesterday talked about kerosene being sold as jet fuel. I would like him to help me, because I have been following that information since morning, and I have even talked to the Commissioner-General of Kenya Revenue Authority.

**An hon. Member:** Hon. Okemo can brief you!

**The Minister for Finance** (Mr. Nyachae): Hon. Okemo is not a tax collector. I am the tax collector. I would like hon. Muite to give me the documents and I will give them to the Kenya Revenue Authority, so that they can follow it up. That is the kind of help I need.

**An hon. Member:** Now you are talking!

**The Minister for Finance** (Mr. Nyachae): Mr. Deputy Speaker, Sir, when we talk in this House, we should not be selfish and only think about ourselves and our constituencies, but consider national requirements. Hon. Members talked about a gazette notice I issued, that maize importation should be duty free. I did so, and I stand by it. This is because, first, life has become very difficult and we cannot increase food prices. Secondly, we should not think that there is food in this country. I have done my homework throughout the country, and as of Friday last week, the marketable maize available in this country is only 876,000 bags. There is no single bag for strategic reserve and yet, we are told that there is maize in the country. Parts of Kambaland had some little harvests which, unfortunately, they sold some since they had suffered as a result of drought all along. I have counted what they had and it is in stores in Thika. They did not sell it because they had surplus, but they did so because they did not have money to pay fees for their children. So, let us be realistic when we are talking about this. Let us not just campaign against allowing food to come into the country, but when it is not available, I am blamed for having not allowed its importation and that, hon. Nyachae should have known that there was going to be food shortage. Whatever you say, you should think about the whole country and not your own area only.

Mr. Deputy Speaker, Sir, there was a claim that other areas are supported financially, whereas Nzoia Sugar Company has not been supported. I would like to state that, every corner of the country is being considered. Right now, as far as I know and the Minister for Agriculture can confirm this, there are a lot of discussions going on, on how to support Nzoia Sugar Company which has been a disease for many years. That is not going to be an easy exercise. The balance sheet for Nzoia Sugar Company is in the red, to the tune of Kshs4 billion. So, it is not an issue that can be overcome overnight. We are doing what we can to improve the situation.

Mr. Deputy Speaker, Sir, hon. Ndicho here did mention that we can collect Kshs.250 billion in the form of revenue. I hope that hon. Ndicho is not talking about increases on taxation to reach that figure. I have done a lot of work within the limited time that I have been in that Ministry. I can see that, all that has been alleged about tax being evaded on fuel and everything else is true. For the last one year, we have estimated and have reached an area where there has been tax evasion of slightly over Kshs.7 billion. So, anybody who has information on tax evasion including the MP for Runyenjes, maybe he---

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

**The Minister for Finance** (Mr. Nyachae): It is not a point of order, he is going to give some information.

**Mr. Deputy Speaker:** Order! Hon. Kathangu, only one Member may stand and speak at any one time.

**The Minister for Finance** (Mr. Nyachae): Mr. Deputy Speaker, Sir, I require that information at the Treasury Building for tax collection and not here now, when I am replying. I will contact hon. Kathangu tomorrow, so that he can give me the information because I need every single cent. Hon. Kibaki spoke very well. He asked one pertinent question. There is no difference between anything else that he said and what I have said because his wishes are our wishes. The economic crisis is affecting everybody, and therefore, there is no question here, of the feelings about which side of the House a Member belongs to. Well, he asked whether we are serious and if we are going to implement our proposals. I stand here to tell you that we are serious. I would like---

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

**The Minister for Finance** (Mr. Nyachae): My brother, let me finish first, you sit down.

Mr. Deputy Speaker, Sir I would like to talk about the question of confidence. It is a very important point not only to outsiders, but to all Kenyans as well. We have a situation where we have now found ourselves leaving Kenyans without hope. This is a very serious matter. When people do not have hope in their economic future, let us do one thing here, let us speak one language. But, if we are going to continue saying that money has been eaten, so and so or the Government cannot do it, or it will never achieve this, then we are not helping anybody. We are not creating confidence. Let us march together like soldiers elected to come to this House together, forward. Let us move together and create confidence and hope among our people. Those who have the privilege to meet the outsiders should not talk against us. Hon. Leakey talked about confidence. I wish he was here. This is because he is a well known person out there, and he meets many people. On the trip that we made last month, he did not help me to create confidence. He had dinner with the President of the World Bank.

**An hon. Member:** How did you know that?

**The Minister for Finance** (Mr. Nyachae): I represent this country in handling World Bank matters. If he can be honest, did he speak in terms---

**An hon. Member:** But he is not on the Government side.

**The Minister for Finance** (Mr. Nyachae): But he is a Kenyan! When you go out there and have dinner with a foreigner, talk about your home. I will never go out there and speak against any party or Kenyan. I will speak against you here.

Mr. Deputy Speaker, Sir, let me say this---

**Mr. Munyasia:** On a point of order---

**Mr. Deputy Speaker:** Overruled!

**Mr. Munyasia:** But you are not following the Standing Orders!

**Mr. Deputy Speaker:** Order! Order, hon. Munyasia! The same Standing Orders will tell you that when an hon. Member is speaking, you are supposed to allow him until you are recognised by the Speaker. Proceed, hon. Nyachae.

**The Minister for Finance** (Mr. Nyachae): Mr. Deputy Speaker, Sir, I would like to appeal to all hon. Members of Parliament to come together. This is a crisis facing every child of every Kenyan. Therefore, in terms of priorities, can we do this: Priority number one - turn around the economy; priority number two - politics. Let our children and families come first.

With those few remarks, I beg to move that this Motion be approved in totality.

*(Question put and agreed to)*

#### ADJOURNMENT

**Mr. Deputy Speaker:** Hon. Members, it is now time for the interruption of business. The House, therefore, stands adjourned until tomorrow, Thursday, 23rd April, 1998, at 2.30 p.m.

The House rose at 6.30 p.m.