

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 19th June, 1996

The House met at 9.00 a.m.

*[Mr. Speaker in the Chair]*

PRAYERS

## ORAL ANSWERS TO QUESTIONS

*Question No.141*

NUMBER OF SCHOLARSHIPS

**Mr. Speaker:** Mr. Nthenge, not here? Next Question!

*Question No.113*

TEA FACTORY FOR NAKURU NORTH

**Mr. Speaker:** Bishop Kimani, also not here? Next Question!

*Question No.090*

IRREGULAR ALLOCATION OF PUBLIC LAND

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

(a) whether he is aware that most public land, including forest reserve, recreation parks, bus parking areas, matatu stages and public toilets in Meru Town have been irregularly allocated to individuals; and

(b) whether the said allocations could be nullified forthwith.

**The Assistant Minister for Lands and Settlement** (Mr. Sumbeiywo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that some public land has been regularly allocated in Meru Town to individuals for development. But I am not aware that the allocations have affected public utility plots like parking areas, matatu stages, bus parks and toilets.

(b) If the hon. Member has evidence of irregular allocation of public land in Meru Town, he can pass this information to me for investigations and remedial action.

**Mr. Murungi:** Mr. Speaker, Sir, the Assistant Minister seems to be contradicting himself because in (a) he says he is aware that some public land has been allocated to individuals for development. Then he is asking me to give him information for investigation and remedial action. As a matter of fact, there is no public land left in Meru Town now. In the whole of Meru Town, there is no single inch of public land which has not been allocated except what is left for the roads.

Mr. Speaker, Sir, there is a toilet near Pig and Whistle Hotel which has been allocated to an individual so that members of the public have nowhere to go. All the park from Pig and Whistle Hotel through Meru Sports Hotel, the former golf course has been allocated and it was a public park. All the bus parks including the one near the Kenya Commercial Bank have also been allocated to some people in this House. Can the Assistant Minister take it from me, that since there is no public land which has not been allocated in Meru Town, he is going to take action to ensure that all the public land allocations are revoked so that the land is restored to its former use, in accordance with the Presidential directive?

**Mr. Sumbeiywo:** Mr. Speaker, Sir, according to records available in the Ministry, no public utility land has been allocated in Meru Town except part of the forest measuring about 20 hectares which was excised and

allocated to Kenya Reinsurance for development of housing estates. The allocation was done after degazettement as required by the Forest Act of the relevant Ministry. Other plot allocations in Meru Town were done according to the laid down procedure which requires that once land is identified for development, it is planned and the PDP circulated to the relevant authorities for comment before the allocation is approved and effected.

**Prof. Mzee:** Mr. Speaker, Sir, could the Assistant Minister deny or accept the fact that most of the public land which is being allocated for the so-called development is allocated to KANU supporters, civil servants and other people and then they immediately sell it to Asian developers to develop it? It is not a question of developing; it is the question of awarding cheap land to somebody who sells it at a very, very high price and gives it to somebody else with money in his pocket to do the so-called development. Which means sky scrapers going up.

**Mr. Sumbeiywo:** Mr. Speaker, Sir, as far as land allocation is concerned, when one applies for a plot, we assume and we believe that whoever is applying for allocation of a plot is doing it in a genuine way for the development of facilities for the utility of the people who are leaving in that area. The question of allocating plots to KANU or civil servants is something that I have never heard before, except that whoever is applying for a plot is a Kenyan, irrespective of his party affiliation.

**Mr. Maore:** Mr. Speaker, Sir, the land areas that are under question in Meru Town have been held in good custody by the first DC we nicknamed Kangangi or Mr. Horn in 1908, up to date. But the question is, the District Land Allocation Board in Meru for the last five years has acquired a virus whereby they feel like the Government is going to collapse or evaporate and it is transit. So, they have to allocate everything that they can lay their hands on, including the public land that was just next to the DC's office for the library and the Meru Primary School. What is the Ministry going to do as regards the recent directive that there is going to be a repossession of this public land? Is the Ministry going to disband the District Land Allocation Boards, because that is the father and the mother of all the corruption in all the land allocation irregularities?

**Mr. Sumbeiywo:** Mr. Speaker, Sir, according to the latest rules and regulations, land allocation has been decentralised. Therefore, district allocation committees will still remain but they will be controlled by the Ministry's Headquarters.

**Mr. Murungi:** Mr. Speaker, Sir, since the Government does not seem to be aware of public land which has been illegally allocated to individuals, can the people of Meru District, who know where this public land is, be authorised to go and pull out the beacons and return the land to its public use? We know where this land is.

**Mr. Sumbeiywo:** Mr. Speaker, Sir, I hope hon. Murungi "Kairitu" will not take the law into his hands.

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to impute improper motive on Hon. Kiraitu Murungi by calling him "Kairitu", which means a small girl?

**Mr. Speaker:** Would hon. Murungi accept it if he was called a big girl?

**Mr. Murungi:** Mr. Speaker, Sir, I think the facts speak for themselves. I do not know what proof I can give to my friend here!

**Mr. Sumbeiywo:** Mr. Speaker, Sir, of course I do not come from that part of the world, which is beyond Mount Kenya. I thought the words "Kiraitu" and "kairitu" mean the same thing. So, if I have offended the hon. Member I apologise.

But I hope the hon. Member is not going to take the law into his own hands by going to pull out the beacons. What I advise him to do is to go together with the Ministry's district officials and identify these plots. After that he can ask the officials to write to us and we will follow the matter up.

**Mr. Speaker:** Mr. Ojode's Question.

**Prof. Ouma:** Mr. Speaker, Sir, I have spoken to Mr. Ojode on this Question, and I will ask it on his behalf.

**Mr. Speaker:** Has he instructed you to do so?

**Prof. Ouma:** Yes, please.

#### *Question No. 135*

#### COMPLETION OF RANGWENA BRIDGE

**Prof. Ouma**, on behalf of **Mr. Ojode**, asked the Minister for Public Works and Housing:-

(a) whether he is aware that construction of Rangwena Bridge which started in 1992 and connects Wahambla and Homa-Bay Town on Kendu-Bay/Homa-Bay Road has stalled; and

(b) when it will be completed.

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

(a) I am aware that the construction of Rangwena Bridge, which started in 1992, and connects Wahambla and Homa-Bay Town on Kendu-Bay/Homa-Bay Road had stalled. (b) The bridge is already completed. The concrete bridge was completed on 19.11.94 and backfilled on 11.12.95

**Prof. Ouma:** Mr. Speaker, Sir, could I inform the Assistant Minister that his information is incorrect? The bridge is not completed. We still have to go over the bridge not using a concrete base but a wooden one. What is more, the bridge is hanging in such a manner that it is almost toppling into the river. There is so much undermining both on the downstream and upstream sides of the bridge. Work which began in 1988 to build gabions on either side of the river bank to ensure that the bridge does not get undermined stopped, and the Ministry is doing nothing, except wasting public funds. Could we know from the Assistant Minister when the construction of the bridge will be completed and also when its undermining from both river banks will be stopped?

We have had this situation since "Ndemi na Mathathi" and we cannot go on with it!

**Mr. Speaker:** Hon. Ouma, we do not have much time!

**Mr. Mwamzandi:** Mr. Speaker, Sir, the bridge has been completed. In fact, it was inspected on 2.1.96 and revisited---

**Prof. Ouma:** On a point of order, Mr. Speaker, Sir. Let Ministers believe us when we tell them these things! Some of us have no time for lies! We are too old to tell lies! I am telling the Assistant Minister---

**Mr. Speaker:** Order, Prof. Ouma! First of all, you are out of order to use that word in this House.

**Prof. Ouma:** Mr. Speaker, Sir, I was referring to myself and meant that we are not telling untruths. Right now the Assistant Minister and I can go to the bridge and we will cross it on a wooden base.

**Mr. Speaker:** Mr. Mwamzandi, do you want to take up that challenge?

**Mr. Mwamzandi:** Mr. Speaker, Sir, according to the information I have been given, the bridge is completed. I was telling the hon. Member that it was inspected on 2.1.96 and revisited on 24.4.96. On both occasions the bridge was found stable.

**Dr. Otieno-Kopiyo:** Mr. Speaker, Sir, this bridge happens to be on the infamous Kendu-Bay/Homa Bay-Road, and it has been hanging uncompleted since 1989. The Minister for Finance promised that he has some money for roads. I wish to remind the Ministry that all the roads in Nyanza Province have their bridges left half completed. This particular one has one wooden part on one side and one metal part on the other side. Can the Assistant Minister tell the House why projects in Nyanza Province, including the provincial commissioner's office block, are left half way done?

**Mr. Mwamzandi:** Mr. Speaker, Sir, I am now dealing with Question No. 135, and I cannot answer other questions about Nyanza Province.

*Question No. 141*

NUMBER OF SCHOLARSHIPS

**Mr. Speaker:** This Question by hon. Nthenge is deferred.

*(Question deferred)*

*Question No. 113*

TEA FACTORY FOR NAKURU NORTH

**Mr. Speaker:** Since hon. Bishop Kimani is not here this Question by him is dropped.

*(Question dropped)*

**Mr. Nthenge:** On a point of order, Mr. Speaker, Sir. I am here!

**Mr. Speaker:** I know but you are late!

**Nthenge:** I stoop up but you did not call on me to ask my Question.

**Mr. Speaker:** Mr. Nthenge, I am afraid I have to go to the procedural Motion because the next debate must begin at 9.30!

**Mr. Nthenge:** Mr. Speaker, Sir, may I ask my Question---

**Mr. Speaker:** Order, Mr. Nthenge! I am sorry; I have already deferred your Question. Next Order.

### PROCEDURAL MOTION

#### LIMITATION OF DEBATE: ANNUAL ESTIMATES

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, beg to move:-

THAT, the following limitations shall be applied to the business of the Annual Estimates:-

- (i) Each speech in the debate on the Financial Statement on the Annual Estimates shall be limited to ten minutes, excluding the Mover's speech and reply;
- (ii) on the Motions "That, Mr. Speaker do now leave the Chair" to enable Ministers to initiate debate on policy, the Mover shall be limited to a total of one hour; half an hour for moving and half an hour for replying to the debate; and all other Members speaking shall be limited to ten minutes, provided that one hour before the Question of the Vote is put the House shall go into Committee and the Chairman shall put every Question necessary to dispose of the Vote then under consideration and shall forthwith put severally the Questions necessary to dispose of the Vote;
- (iii) each speech in Committee of Ways and Means and Committee of Supply shall be limited to ten minutes.

Mr. Speaker, Sir, I once again bring up this Procedural Motion. It is has been a tradition to bring up this Motion and all it does is to emphasize, as it has been done before, that those who will contribute on the debate on the Financial Statement, which was delivered yesterday by the Minister for Finance, will be limited to ten minutes.

In any case, the duration of that Motion is seven days. When we come to the Committee of Supply this is when the House will debate the Votes of various Ministries, and in order to allow as many Members as possible to contribute, ten minutes should be sufficient for anybody to give as much information as he would wish.

With those few remarks, I beg to move.

**The Minister for Labour and Manpower Development** (Mr. Masinde) seconded.

*(Question proposed)*

**Mr. Nthenge:** Mr. Speaker, Sir, I support the Procedural Motion. It is really our normal way of doing things. This is a very important debate and every hon. Member should have a chance to say something. I beg the House to support the Motion without taking much time so that we can move on to discuss the Budget as everybody is likely to have something to say on the Budget.

With these few remarks, I beg to support.

**Mr. Michuki:** Mr. Speaker, Sir, I quite agree with the proposal that this Motion is procedural and that given the number of Members in this House, time must be allocated in a fairly definite manner to each one of us.

I have to express my disappointment on certain aspects of the discussions that are now going to follow and I am not trying to anticipate anything. In order that the time allocated to us is properly used and that the issues we raise are relevant, there are certain basic documents which Members of this House are entitled to be supplied with well before the debate starts. I have in mind the Economic Survey which is the background to what the Minister for Finance brings here. This document has not been available on time and in fact, the Government finds it convenient to supply this document to the Press well before the Budget is read rather than supply it to the Members of Parliament. The whole essence of this debate---

**Mr. Speaker:** By the way hon. Michuki, as I understand, the Economic Survey was tabled in this House and I think Members were informed about it through a notice in the Notice Board that all those documents are available in Committee Room No.8 for collection.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir. The position is not correct. I was looking for that document a day after the Vice-President had already released them to the public and we were told we cannot get a copy until it is tabled in the House when the Press already had it.

**Mr. Speaker:** By the way, it was tabled in the House. I was seated here when it was tabled, but any way, can I assure the House that all those documents are available in Committee Room No.8 and there was a notice to that effect.

**Mr. Michuki:** Mr. Speaker, Sir, I am also talking about the Recurrent and Development Estimates

which are not readily available to Members. I think that the administration of these affairs in this House has gone haywire because in the past, all these documents have been available to Members on time. Now, we are talking about discussions limiting the procedural aspect leading to the discussion on the Budget and yet the information on the basis of which we should be speaking here is very very controlled. Can I even go further and say, we do not get *Gazette Notices* on time and regulations which Ministers pass and which we are supposed to comment on within a certain period. So let us hope that during this Session these matters will be rectified by the Clerk in this House, otherwise, what we are going to contribute on this Motion when we have no background information? Thank you.

**The Assistant Minister for Commerce and Industry** (Mr. Barmasai): On a point of order, Mr. Speaker, Sir. Would I be in order to suggest that the Mover be called upon to reply.

**Mr. Speaker:** I intend to give a chance to one more hon. Member to very briefly contribute on this Motion.

**Mr. Mulusya:** Mr. Speaker, Sir, indeed, what I was about to say is exactly what that hon. Member has done. There has been a consulted effort from that other side to make sure that the time we spend on debating Motions in this Parliament is curtailed just because of the majority euphoria. We want to be able to ventilate Motions when they are brought in this Parliament and not have conspiracy between Members from that side and the Movers of particular Motions that time be curtailed. We need to have enough time. There are some Members whose sole responsibility in being in this House is to simply wait for the voting time. This should not happen. Let them listen to the views of other Members and at the end of the day, they will be given time to vote because they came here only to vote!

With these few remarks, I beg to support.

*(Question put and agreed to)*

**Mr. Shikuku:** On a point of order, Mr. Speaker, Sir. I wanted to debate on this Motion, but first, I want to seek clarification from the Chair. The Financial Statement is usually moved or brought to this House on a Thursday. This has been a long practice for many years. After the Minister for Finance has read his Financial Statement, hon. Members have Thursday, Friday, Saturday, Sunday and Monday to read and prepare themselves, and even go back to their constituencies to hear the views of their people, but the Financial Statement was read yesterday, which was on a Tuesday, and we are now being asked to give our contributions immediately. I do not think anybody had a look at it. Hon. Members headed to Intercontinental Hotel for a drink, and I am sure that many of them have not read the Financial Statement. How are we going to contribute to the Financial Statement, and yet we did not get the documents? Could I be told why they decided this time to bring the Financial Statements on a Tuesday?

**Mr. Speaker:** As you know, hon. Shikuku, the only thing I know, that has strict limitation, is that the Budget must be brought before this House, on or before the 20th of June. As to why it came on Tuesday, do not ask the Chair; it does not read the Budget. So, can we now proceed.

Just another thing that I may say is that arising from what you, and also from what hon. Michuki raised, relating to the distribution, availability and tabling of the development and recurrent expenditure records, as you know yesterday was Tuesday, and it was Budget day, and there was no other possibility of them being tabled before the reading of the Budget. So, that explains why it was so. So, anyway, can we now proceed? But they are now available in Committee Room No. 8.

**Mr. Michuki:** On a point of order, Mr. Speaker, Sir. As far as I am able to ascertain, and as far as I know, the Estimates of Expenditure should be distributed to hon. Members, even before the Budget is read. This is because the only thing that the Minister may not distribute is the estimates of his revenue. But the actual layout of the estimates are supposed to be distributed to hon. Members in order to prepare themselves for their comments.

**Mr. Speaker:** Hon. Michuki, I am telling you that we cannot distribute what we have not received. When we receive any document, we distribute it as, and when we receive it. That is why I am saying that they are now available in Committee Room No. 8. But nevertheless, I quite totally understand your sentiments and they are very understandable. Can we now move to the next Motion.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** I am sorry, Dr. Otieno-Kopiyo. This debate must begin at 9.30 a.m.

**Dr. Otieno-Kopiyo:** Mr. Speaker, Sir, it is very difficult to be called upon to debate a matter without having any information about it. So, could you make a ruling that in future, this---

**Mr. Speaker:** Order! Order! I have nothing to rule on. I will proceed to the next Order. If the

House is not prepared, you know what procedure is followed in calling for an adjournment of debate, which you are at liberty to do.

### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

#### MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance on 18.6.96)*

*(Resumption of Debate interrupted on 18.6.96)*

*(First Day of Budget Debate)*

**Mr. Obwocha:** Mr. Speaker, Sir, thank you for giving me this opportunity to make my contributions on the Budget. I am surprised that there is nobody from the Ministry of Finance here. To start with, we abhor deficit budgeting in this country. We do not know why the Minister for Finance brought budgetary proposals based on deficit budgeting, where the Government intends to collect K£7.3 billion and spend K£7.8 billion.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir. I am standing under Standing Order No. 45 (b), to move that this House do now adjourn.

**Mr. Speaker:** Just one moment! Let me be with you, Dr. Otieno-Kopiyo. Yes, what is it?

**Dr. Otieno-Kopiyo:** Mr. Speaker, Sir, in view of the fact that hon. Members do not have the relevant information to make meaningful use of the time allocated for debate, this House do now adjourn for another day, or in the afternoon, so that we can be given time to peruse the documents made available to us.

Mr. Speaker, Sir, I beg to move.

**Mr. Orengo:** Mr. Speaker, Sir, I beg to second.

**Mr. Speaker:** Well, I suppose I will then propose the question, which is that this House do now adjourn. Just a moment, please.

**An hon. Member:** Very well!

**Mr. Speaker:** Order! Order, hon. Members! Order! I suppose I made a mistake. Quite frankly, I made a mistake in acceding to Dr. Otieno-Kopiyo's Motion. In view of the provisions of Standing Order No. 143, subsection (iv), I am barred on any day, upon which the Chairman is under this Order directed to put forth any questions because consideration of the business of Ways and Means shall not be anticipated by a Motion for the adjournment of the House, and no dilatory Motion shall be moved in relation to that business, and the business shall not be interrupted under any Standing Order.

It also applies *mutatis mutandis* in the Committee of Supply.

I apologise to the House for not having pointed out this to hon. Members, when Dr. Otieno-Kopiyo stood in the very first time, but unfortunately, the law will not allow the Motion, previously moved by Dr. Otieno-Kopiyo. Therefore, I revise my previous ruling and disallow it.

So, can we now proceed to the main Motion?

**Mr. Obwocha:** Mr. Speaker, Sir, I will start as if nothing has happened and express our disappointments that the Minister for Finance has again presented a Budget vested on deficit budgeting where the Government has budgeted to spend more money than they are able to collect.

Mr. Speaker, Sir, the most surprising thing is that the Minister for Finance intends to spend on the Recurrent Budget or on the Recurrent Expenditure K£6.1 billion and only K£1.7 billion on Development. And this Government says that they are development conscious and Opposition does not support development, and they are going to it when, indeed, the figures shows it all that they are not committed to development at all.

When I went through the parastatal divestiture which the Minister presented in this House, I kept on wondering how the Minister has disposed of 143 parastatals he mentioned in this House! This programme has been opaque, there is no transparency at all in parastatal divestiture.

I think I got the Minister right on VAT administration. He told this House that he has set aside K£600 million for refund. First of all, Kenyans know that VAT system has been misused by businessmen, traders,

wholesalers and so on. How is he going to administer this scheme of VAT refund? This would be one way of getting people access to money that they are not entitled to from the public coffers.

When we go through this Budget, we would have thought that in a liberalised economy the Minister would have kept off from imposing tax on the poor people of this country. But where the Kenyans were benefiting, where they had access to relief and so on, he has gone further and increased their burden. What was the rationale of the Minister increasing tax on kerosene? Kerosene is the basic fuel, energy that the people of this country use. If, indeed, he found out that the industrialists have taken advantage of this then that was for the good of this country. There was no point for the Minister at all to increase taxes on kerosene. The Minister tended to give a very rosy picture on what is happening on foreign debt servicing, but as we know it, the current foreign debt he has mentioned in his Budget Speech is K£24 billion which is three times our annually Budget which is only K£80 million, and yet he is saying that we will only service this debt at a rate of K£399 million, almost a billion. Now, I am wondering, has the Government got any concession from the donors or from those lenders who have given us money? I think we do not believe that the current debt servicing as given in the Financial Statement gives a true and fair view the state of our affairs because the Government has also taken over the servicing of debts of most of parastatals which are not servicing their debts.

Recently, we were told that the NSSF has been exempted from the provisions of the Auditor-General (Corporations). What shocked us yesterday was that the Minister said in this House that NSSF will go further again and be exempted on its income? Its economic investments will be exempted from tax. First of all, these people at NSSF have misused contributors' money in investing in useless projects like quarries, buying buildings that are collapsing and so on. And yet, instead of being made to pay tax on the income they are generating from these places, they are being left scot-free. That is not enough. Those of us who are members of NSSF, the interest that we normally get annually has been reduced from 15 per cent to 3 per cent. How sure are we going to be that this income will come to the contributors as the Minister alleged yesterday?

The other portion of savings include the NSSF which was disturbing is the fact that all gross income, salaries wherever one is, is taxed before deductions are made from his salary to this saving scheme. Now, the Minister goes ahead and says if you are paid lump-sum on amount of Kshs360,000, that would be subject to tax. Now, here is a person who has worked for over 20 years and all that he was working for was subjected to tax. When we are finally giving him the lump-sum amount of money we still tax it again. Is that fair? We would have expected the Minister to address the issue of double taxation in this matter. He even makes it worse to tax any little money that people put aside, if one saves Kshs20,000, the Minister said that one would be subjected to 20 per cent tax. Imagine some of these hon. Members of Parliament who are trying to put money aside to campaign next year, assume even they are saving only Kshs20,000, for 200 hon. Members that would be about Kshs400 million. Now, 20 per cent is intended to go to tax. That is not one way of encouraging saving. This country must address the issue of domestic saving if we are going to prosper. If the economy is going to prosper domestic saving must be encouraged at any cost. On Income Tax, I would have expected the Minister to remove the burden of the Income Tax from the people of Kenya. At least now, they pay a lot of taxes through indirect taxation, and in any case, direct taxation is broad world wide. Most Governments are moving from direct taxation to indirect taxation. He would have saved the people who are workers in this country by reducing Income Tax at all levels, not only the ones he said that are not going to be taxed up to Kshs6,000 per month.

The other part related to the Income Tax is the working of Kenya Revenue Authority. When this House passed a Bill or an Act to establish that Authority, we would have expected the Government to move fast to set out modalities, how that Authority is going to work, set up terms and conditions of the workers and professional staff and so on. Up to this moment, as I am speaking, the Minister only says that "I hope Kenya Revenue Authority will do its best to collect the revenue". If you have not motivated the workers, if you have not set out the conditions, modalities, terms for them to attract professional staff, how are they going to collect this revenue? Yet that is the revenue the Government will use to carry out all these programmes they are telling us.

Mr. Speaker, Sir, I was very shocked to hear from the Minister that he has set aside K£10 million for the National Youth Development Programme. This is a programme whose modalities have not been revealed to the people of this country, and yet this House is being asked to rubber stamp a programme for somebody to benefit in the 1997 elections. You just get KShs200 million from here and give it, saying: "Oh, your Excellency, pesa ndizo hizi, tumia". If this programme, indeed, was going to help the youth of this country, we would have expected the people to be told how it is going to function. A Bill or a Sessional Paper should be brought here stating clearly the way this money is going to be distributed and how it is going to be repaid.

With that, Mr. Speaker, Sir, I beg to support.

**Mr. Muluya:** Thank you, Mr. Speaker, Sir. When you listened to the Minister for Finance making his Budget Speech yesterday, it looked as if, at one time, he had lost touch with what is happening in this country.

He talked about revitalising the economy and getting the economy on a better footing than it has been in the past. But when you look at the key issue which is taxation, he talks about raising revenue through the fuel levy. Essentially, the fuel levy is supposed to maintain the roads so that the investors and industrialists may move easily from one place to the other. This country has collected billions of shillings and now we are being told that over Kshs3 billion is going to be collected this year alone for maintenance of roads. Where is the balance of over Kshs.10 billion? The state of our roads speaks for itself. As you travel in different parts of the country, it becomes clear that no roads have been tarmacked, our roads are full of potholes filled with murrum and red soil.

I have had the opportunity to travel in Rift Valley where the roads have been very good for sometime, but now the situation has deteriorated so much that the roads are full of potholes. That is why at the moment, there is a lot of dissent emanating from the Rift Valley region which used to be a KANU zone. Now everybody has started to realise that money is not being utilised properly. How can you tell the citizens of this country that we are going to increase petroleum prices through increased levy? Increase in petrol prices will affect transportation by matatus, buses, railway, *etcetera*. In the industrial and commercial sector, everybody has to put a price marker because it is going to be affected by the new prices of petrol. What has the Minister got to tell us when the common man, from the lowest paid, is supposed to pay all these increases? For example, a company like the East African Industries (EAI) has to pass their fuel price to the consumer. How can you tell this country that we are going to benefit? It is not true that this Budget has the foresight of trying to cushion the small person against the adverse effects of inflation. We are going to have more inflationary trends. You cannot tell bankers to reduce their interest rates while you have not completely finished mopping up the excess currency which was created through printing of money and excess and uncontrolled expenditure in 1991, through to 1993. That money is still circulating, and it is being used by people who have not earned it.

I would like to refer you to this issue of land grabbing which I would refer to as giving money to people who have not earned it. Any money which is not earned properly and is put into the economy results in fuelling inflation. When you find that somebody has been given a five acre land in industrial area and he sells that piece of land for Kshs10 million; the truth is that he has not earned that Kshs10 million as he was given that land free of charge by the Government. That Kshs10 million will now get into the economy. What is the benefit of that money other than to fuel inflation?

Turning to the revenue estimates, you find that we are not encouraging anything. The revenue estimates are pre-determined, based on the fact that we are going to continue importing so that this country can get revenue through customs and excise. Out of the K£7.1 billion that we expect to raise from revenue, K£2.472 billion is expected to be raised from Customs and Excise duty levied on imported materials.

*[Mr. Speaker left the Chair]*

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

There is no way we can be expected to raise that amount if we are going to continue importing. The truth of the matter is that we are not ourselves encouraging export as there is nothing to show that we are going to reduce our level of importation and substitute it with export. We cannot continue to live on imported products and, at the same time, expect our economy to grow.

Mr. Temporary Deputy Speaker, Sir, although revenue is expected to be obtained from land, the level at which we are allocating Government land and charging very nominal rates to the beneficiaries, means that the Government is not benefiting. For example, you look at what we expect to get as land rent from Government buildings. We are selling all Government buildings and that is why there is a lot of misrepresentation in this estimates of revenue. This is because if we are selling all Government property, how do you expect the revenue to continue growing from those Government houses? The houses at Upper Hill, Kileleshwa and other prime areas in different towns where there are high class housing units for housing civil servants have all been sold. These civil servants were expected to pay rent, whether nominal or not. All these houses have been sold. How do you expect to generate revenue from those sources? Here, it is shown that it is rising. It cannot rise when you are allocating all that land.

The revenue which is supposed to be generated from tourism and wildlife has also dropped. The country is in problems. In 1995/96, we expected to get K£700,000, but now we are only expecting this sector to grow by K£50,000. This means that the Government is not anticipating to do anything because this is a sector which has been giving the Government a lot of revenue and it looks as if the Government has given up on the tourism industry.



Mr. Temporary Deputy Speaker, Sir, when you look at areas where the Government is expected to get interests from monies given out for projects, either through the Rural Development Fund or the Kenya Commercial Bank Savings and Loans and other Government investments where the Government has shares, you see that we are not getting anything. This is because instead of the Government encouraging proper economic utilisation of those funds, it is selling those parastatals to a few selected people.

On the issue of the National Bank of Kenya, this country has pumped in billions of shillings. NSSF is putting in so much money to rescue National Bank of Kenya from going insolvent. The Government should have sold the shares in National Bank of Kenya before injecting more revenue. NSSF is the one which has rescued the National Bank of Kenya. If it was not for NSSF, although its contributors are not benefitting from it, the National Bank of Kenya would have been under receivership by now. I am glad that at last the Minister---

With those few remarks, I beg to support.

**Mr. Wamalwa:** Thank you Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to make a few observations on the Budget.

I can only define this Budget as a mirage or an optical illusion in the sense that, ostensibly, it looks like a very worker friendly Budget or a very poor-man's friendly Budget, but yet it seems to be a Budget couched in a very vague language and does not spell anything out in concrete terms.

I appreciate that all budgets want to indulge in the ridiculous business of giving with one hand and taking with the other. But, this particular Budget is promising in very vague terms what it would like for the people without spelling it out. I would like to give a few examples of this. If I may start with the Budget's handling of poverty alleviation proposal in the Budget, the Government in fact, ought to have done a lot in terms of poverty alleviation and I would like to quote from the Budget statement which says:

"Over the last financial year, we have posted a more rapid growth in micro-enterprises through the National Jua Kali Programme."

If you look at the Jua Kali Sector, you can hardly discern any specific Government programme that has been introduced to help that sector. In fact, one would be right in saying that the Jua Kali Sector has grown in spite of the Government.

The Government takes comfort in blaming its short comings in this particular respect to the donor community not being willing to fund or advance money to help the Jua Kali Sector. This is an indigenous programme conceived by the people of this country and now recognised by the Government. The Government ought to find it within its own abilities to encourage and finance this programme without having to rely on donor funds. In fact, over dependence on donor funds has led to the stagnation of a lot of programmes in this country. It is amazing when you look at the programmes that have stalled because the Government depended entirely on the donor community giving it so much money a particular programme and yet the Government itself was unable in some cases to raise as little as 10 per cent of the cost of that programme in order to attract the donor funds.

The question of unemployment goes to the very existence of any nation. If the majority of Kenyans cannot do an honest day's work and earn their daily bread in an honest way, they will find other ways of earning that bread. It is incumbent upon any Government that respects itself to address the unemployment problem seriously. What we see in the Budget Speech on the unemployment issue is a set of platitudes without any concrete vision or programme to actually fight unemployment. The Government does not tell the nation what programme it is going to put in place and what industries it is going to put in place to employ people. This is a matter that must be spelt out in chapter, verse and text. It cannot be addressed by a global sentence like "we have made a lot of progress." That is not good enough.

I would like to suggest that one way of helping the Jua Kali Sector is to remove oppressive by-laws. The City Council laws in this country that led to situations like Muoroto should be removed. Kenyans, who are struggling to make a living should be afforded all latitudes possible to do so. Further, I think easy credit terms ought to be made available to these Kenyan entrepreneurs. These are the people who have broken with traditions.

Traditionally, an educated Kenyan after finishing school, looks forward to a well paid job in an office where he would be employed by a company and so-on. But the enterprising Kenyans in the Jua Kali Sector have realised that the only way to build an economy is for people to produce; it is only if people are able to produce that the economy of a country can grow. That is why they deserve all the help that this Government can give. In this respect, the Government ought to encourage the training of Jua Kali artisans by organising regular seminars, refresher courses and so forth.

Still on the alleviation of poverty, the Budget statement states as follows:

"Co-operative societies will be encouraged to build cheaper housing for the people."

This can hardly be done just through a statement like that. Today, the co-operative movement in this country is collapsing. Something needs to be done to revive and revitalise the co-operative movement before it

can even be perceived to have the ability to undertake such a move.

On employment, again the Budget makes an assertion that I do not think is 100 per cent correct on the National Youth Development Fund. It states as follows:

"The National Youth Development Fund is already making a valuable contribution to the funding of schemes to promote youth employment."

The National Youth Development Programme is only an idea as of now.

It is an idea that we are debating. It is also an idea even whose latitudes has not even been spelt out and whose modalities have not been debated. And yet the statement here claims that this National Youth Development Fund (NYDF) has already made a contribution. Which contribution in concrete terms has this made?

*(Applause)*

**An hon. Member:** KANU propaganda!

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, I take very strong objections to Parliament being asked to authorise the donation of K£10 million of the taxpayers' money to the President's efforts to set this same Programme which we have not discussed. I do not think that this Parliament has the power to vote taxpayers money on some nebulous programme whose intentions have not been made clear and whose implementation has not been debated by this House and agreed upon. In fact, the statement says that Kshs 200 million will be made available to supplement the Head of State's effort in this Programme. If this Programme is a national programme, and I think this sentence was added as a result to my statement in Hamisi, that if it was intended to be a national programme, it should be put in the Budget. This is not what I meant. What I meant was that, if this was going to be a national programme, let the modalities of this programme be spelt out, brought to this House in a Sessional Paper, let it be debated and if Parliament blesses it, let it go out as a national programme instead of a KANU programme now being converted into a national programme.

Mr. Temporary Deputy Speaker, Sir, everything must be done if the Opposition is going to be convinced about the efficacy of this NYDF. Everything must be done to de-link it totally from KANU and the only way of doing that is a Government Paper to be brought to this House to be debated and agreed upon.

Mr. Temporary Deputy Speaker, Sir, on the question of health, one notices that the Budget Statement says that there would be an increase of 19 per cent funds voted for Health. Again, the Budget here talks in very vague terms. It says:-

"We are going to move away from curative to preventive medicine or Practice of medicine."

It does not say how we are going to do this. It is just another statement that sounds good, but it does not tell the people exactly what the Government will do in concrete terms. I do not think that this is good enough. I think the Ministry of Health must come out with a cogent programme of how they intend to move from curative to preventive medicine. Even in the curative field that they are so far practising, the Government has been unable to provide sufficient drugs to the citizens of this nation. I think it should start from there, cure the person who is sick and then prevent somebody who is not sick from getting sick. You cannot let somebody die and then say that you are going to prevent someone else from catching that disease. The Government must pay equal attention to both. Let it cure those who are sick and put concrete plans in place to prevent those who might go down with the same malaise.

Mr. Temporary Deputy Speaker, Sir, as a farmer I would like to state categorically that this Budget failed totally to address the plight of the Kenyan farmers today. The maize farmer in this country, who produces the stable food upon which most Kenyans depend, has been abandoned under the rigorous of very harsh economic conditions.

With those few words, I beg to support.

**The Minister for Labour and Manpower Development** (Mr. Masinde): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Budget Speech of the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, I want to take the opportunity from the onset to congratulate the Minister for giving us a very moderate and friendly Budget to mwananchi. The removal of VAT and the lowering of VAT percentages, especially on food products should go a long way in assisting mwananchi to be able to survive comfortably. As a result of this removal of VAT and lowering of VAT in other areas, I would like to appeal to those concerned, especially businessmen, who sell the commodities that are being affected, to lower their prices to the extent that the consumer can afford because there is no reason any more of saying that VAT is on and, therefore, the prices remain high. This should also apply to the maintenance of roads. There has been an

increase of Kshs 2.20 per litre on petroleum products and this is specifically meant to have roads in the country repaired. I hope that the transport owners are not going to hike the fares because of this. On the other hand this is definitely going to affect the farmers and in so doing, the farmers would like to minimize the transportation costs of their produce. And to minimize of the cost, the farmers must be helped also to transport their produce from the farms to the markets with ease.

**Mr. Michuki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. When the Official Leader of the Opposition was speaking, I tried to follow the document which I have just collected from where I was told to collect it from. It appears that there are two sets of Budget Statements which are being distributed. The one that the Official Leader of the Opposition has is not the same as the one which is being distributed by the Clerk of this National Assembly. The one I have collected from that office has no reference to that employment aspect. I happen to borrow my next door neighbour because he also has a different document and it is time these matters were set correctly because we are tired of these manoeuvres and intrigues in this House. How do I follow a speech by the Official Leader of the Opposition here when I have wrong documents, which I was told to collect from the Offices here, which I do and I find it is not the same information that I have been looking for?

**The Temporary Deputy Speaker** (Mr. Wetangula): Carry on, Mr. Minister.

**The Minister for Labour and Manpower Development** (Mr. Masinde): Mr. Temporary Deputy Speaker, Sir, I am sorry that the hon. Member has consumed quite a bit of my time on issues that are not directly concerning the Budget Speech.

Mr. Temporary Deputy Speaker, Sir, as I was saying the farmer needs to be supported and it is, therefore, imperative that when this money is collected, the roads should be repaired, especially the roads leading to farmlands, what we called rural access roads. These are important roads and there is no reason why they should not be maintained, money is collected because when we buy fuel directly. This money should be disbursed to the relevant Ministry to make sure that the roads are repaired because it will be wasteful for a farmer who is trying to deliver his milk to the nearest milk collection point to get stuck in the mud and have all his milk wasted or a tea farmer who is collecting tea to take to the tea factory, to get stuck and have his tea leaves go into waste because the roads are impassable. If these roads are properly maintained, they would also ease the farmer's burden and help him to cut down the cost of production.

Mr. Temporary Deputy Speaker, Sir, let me also take this opportunity to say---

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

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Order! Hon. Michuki, I do not understand why you are fussing so much. I can see the document you laid on the Clerk's Table. What is wrong with it is that some pages are missing. It is not that it is a radically different document from the document being used in the House. I am sure that if you could have consulted the Clerk he could have corrected this instead of making a lot of unnecessary fuss about it.

**Mr. Michuki:** Mr. Temporary Deputy Speaker, Sir, first of all the document that I have just handed to the Clerk is different from what the Leader of the Official Opposition was reading and I have tried to compare the two because my colleague had it here and it is not correct. I am not making a fuss as you imply.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order hon. Otieno-Kopiyo. I have been shown the document hon. Michuki laid on the Table ---

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order hon Otieno-Kopiyo.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir!

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! This is a time for debate and let the speaker on the Floor finish his speech and you can then say all that you want to say.

**The Minister for Labour and Manpower Development** (Mr. Masinde): Mr. Temporary Deputy Speaker, Sir, may I also mention that the increase in the purchasing of fuel or the increase in the tax for fuel should also not drastically interfere with the production of power or electricity so as to make it too expensive for mwananchi to be able to afford. It should also not affect the *jua kali* people who are already using power to have them hampered in their work. I would, therefore, take the opportunity to appeal to the Minister concerned that if in any way it would affect the power people, they should then look for ways and means of reducing their costs by any means possible without having to pass over these problems to the consumer.

I also want to take this opportunity to thank the Minister for removing from tax those people who earn Kshs. 6,000 and below per month for it is very expensive for a Nairobi worker who earns Kshs. 6,000 per month, to lead a decent life. The Minister has done a good thing by giving such a person tax relief so that he can lead a

better life than he was leading before.

Again, I would appeal to the transporters that they do not have to reduce this income which has been spared for these low income earners by having to raise their fares when transporting commuters to and from their places of work. They should not hike matatu, bus or general transport fares.

Mr. Temporary Deputy Speaker, Sir, I am also grateful to note that Kshs 200,000,000 has been set aside for the youths. Most of the youths of this country, who form over 50 per cent of the population, are unemployed. They have tried their level best whether they are *jua kali* operators or otherwise, to fend for themselves to be able to make their ends meet. I think it is for us all, as Members of Parliament, regardless of what Party we belong to support this scheme. This Youth Development Programme is nothing new; it is just a name. We have youths who are already organised and they are managing income-generating projects and these are the youths that the Government would like to help. In the same form, I hope the Government will also come up to help the women who are already fairly organised. So, it is nothing new and it is not right for any one of us to feel that this is a new creation of the Government. We should help these youths to get one of the streets and from their parents backs and be able to help themselves by using money from this Fund.

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

**Mr. Kiliku:** Mr. Temporary Deputy Speaker, Sir, first of all I would like to warn the Government that it has been trading with workers' money. It was wrong for the Minister to propose that the National Social Security Fund (NSSF) contributions will be invested in Government securities which are bought by the very wealthy people in this country. There is now way we could propose and support this. The NSSF should not be converted into a pension scheme. What we want is that upon retirement of workers, they should be given their money in lumpsum and not pension.

Mr. Temporary Deputy Speaker, Sir, some of the people who retire do not live for more than five years. They die before five years elapse. So if you convert this ones to pensions schemes, then it means that upon the death of a contributor, it is the Government that will take that money. We want the worker's money to be paid in lumpsum. The Government should not interfere with the contributions of the workers because the worker's money is not Government's money. It is not deducted from the people. Therefore, the Government should not support the notion that the NSSF money should be used to buy Government securities whereby the very wealthy people will buy those Government securities and they will get this money to drink. We want to have a National Workers Bank where all the worker's contributions will go and in turn lend soft loans to the workers' who in this case are only the contributors and not the Government.

Mr. Temporary Deputy Speaker, Sir, the Budget also talked about the Liquefied Petroleum Gas (LPG) facilities. Concerning these LPG facilities, in future the people will be allowed to import gas from abroad but we should not forget that we have a whole oil refinery down in Mombasa. If we allow the importation of the LPG 100 per cent, then it means that a whole oil refinery in Changamwe will die because it is the Government policy that whoever who wants to import refined oil must also set aside 4 per cent of the processing capacity of the old refinery. He should import crude oil because through this crude oil we are going to have LPG and kerosene. But if we allow the LPG to be imported into this country 100 per cent, then it means that a whole refinery will close down. Why should we do that? Also the Government owns 51 per cent of the oil refinery, but the oil refinery is being controlled solely by the Kenya Shell Company. We should allow other companies to process crude oil through the oil refinery and not the Kenya Shell, Caltex and Esso companies to control the oil refinery.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about the Petroleum Levy having been removed from the Kenya National Oil Corporation (KNOC) to the Kenya Revenue Authority in order to realise the market realities as they said. What are these market realities? I think this money was being used for oil exploration in this country. Will this Kenya Revenue Authority use this money for oil exploration in this country? Or it has been done in this way so that a few people can benefit from the money?

Mr. Temporary Deputy Speaker, Sir, with regard to the National Youth Development Programme (NYDP), the Minister has pledged Kshs200 million. This one will finance the self-help groups through the DDCs. The collectors of these monies are forming themselves into a self-help groups and they will get the same money. We should not support this programme. I support the Leader of the Opposition. How can this Parliament be called upon to legalise Kshs200 million from the taxpayers? It implies that we are forcing everybody to contribute. We have 15 million youths in this country and when we talk about Kshs200 million, then it means Kshs130 per person. This is not the way of promoting the youth. I know that this money which is being collected will be used to finance KANU in the next General Elections. To promote the youth is to give them wage employment. He should direct all the parastatals, companies and the Government Ministries to take 10 per cent of its labour force from the youth. How can you promote the youth by collecting money from the people? These are the same people who are to get that money. We have had a lot of natural disasters in this

country for which money has been collected. We have the Fund for the disabled where we contributed Kshs70 million. I contributed that money and it cannot be accounted for. If the money for the disabled got lost, how are you going to account for this money? If they misused the money for the disabled, how are they going to take care of this one? After all, the Minister should know that this is National Assembly, and we should not be called upon to legalise such programmes mooted outside this House. Such programmes are for political parties. I believe that this NYDP is a programme for one of the political parties in this country.

**An hon. Member:** Which one?

**Mr. Kiliku:** KANU! It is a programme for KANU. So, we are being called upon to support a programme of a political party. Which is wrong! They are ruling in everything, they are ruling in corruption also.

Mr. Temporary Deputy Speaker, Sir, the Minister, in his Budget Speech, talked about the importation of cars through the Mombasa Port. We have the Anti-corruption Unit at the Port now. These people have become more corrupt than those who were corrupt. What are they doing in the Port of Mombasa now? They should have been moved to another parastatal. They are becoming more corrupt and they are the Anti-corruption Unit. They should be moved. They are just there "eating" every now and then. The Minister should have told us what these Anti-corruption officers in the Port of Mombasa are doing and they are there checking corruption in the Port, while they are corrupt themselves. We should check them and see what property or bank accounts they had before they went to the Port. When corruption is done in Mombasa by the very high powered people in Nairobi, the people who are victimised are those people who are being used.

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Kiliku, we do not "do" corruption, we "practise" corruption!

**Mr. Kiliku:** Then those Anti-corruption Unit officials Mombasa are practising corruption. The Minister did not prepare himself for this year's Budget; from the look of the Budget. We are saying that we have waived the income taxation up to Kshs6,000.

Mr. Temporary Deputy Speaker, Sir, on kerosene, the reason which the Minister gave yesterday for charging Kshs3 per every litre of kerosene is not convincing. He said that our kerosene is too cheap and that people have been smuggling it to Tanzania and Uganda. An ordinary person, the consumer of kerosene, cannot smuggle kerosene across the borders of this country. You are punishing innocent people for nothing because of a few people who have been smuggling kerosene out of the country. Kshs3 per litre is a lot of money.

With those few points, I beg to support.

**Mr. Mcharo:** Mr. Temporary Deputy Speaker, Sir, thank you very much for this opportunity. One of the most important points mentioned in the Budget Speech, is the alleviation of poverty. On the outset, I want to talk on the National Youth Development Programme which has been attacked so much. This programme must continue. As far as I am concerned, it must be started and it must continue. As far as I am concerned, Kshs200 million is very inadequate. It should have been much more, because we must do everything possible to cater for the interests of our youth, and we must begin from somewhere. The National Youth Development Programme is a beginning, we cannot keep on attacking everything that is initiated by the Head of State or initiated by the Government just because it is a KANU Government. We must encourage the people of this country, particularly our youth, to play their full role in making sure that this programme is a success. Indeed, the fund raising meetings that are going on in the country are a positive sign. We must sweat if we want our youth to get employment and if we want to alleviate poverty.

I am encouraged by the Budget because the Minister talked of increasing the money for agriculture and water which are essential areas that will assist us in improving the welfare of our people. It is only recently that we were discussing the question of provision of water in this country. I note with satisfaction that the Minister for Finance seems to have taken action in raising the budget for the provision of water. But the 8 per cent of the Budget that has been given for water is inadequate because as we know very well most of our country is arid and semi-arid and this is the area that we must address very vigorously in order to improve or to increase the area of land for food production, and that would be found in the arid and semi-arid zones. Time and again we have said that we have adequate water, enough land but we are not using our resources adequately or effectively to improve agriculture because with enough water for irrigation, we can improve agriculture. Agriculture is so important that we must do everything possible to set aside adequate funds for the development of agriculture. As far as I am concerned, in my own District when you talk of the National Youth Development Programme, I see the youth going to work on the land and they need money. We have to give them money and land that is not being utilised for them to work on. After all, the first Head of State told us "let us go back to the land." We have not sufficiently gone back to the land. Our youth do not seem to know what they can grow and what they can do to

earn a living; a decent living from land. So, this is one area where I must commend the Minister for Finance for increasing the provisions for agriculture and water which I think, will go a long way in improving the standard of living of our future. This is a beginning and we must continue. We must also bring in other friends, donors and NGOs to assist in the provision of more funds towards developing agriculture, water resources and other areas.

Mr. Temporary Deputy Speaker, Sir, one other point I want to mention concerning the alleviation of poverty, is the question of pensioners. Pensioners are very poor people. Last year's Budget talked of increasing pension for the pensioners. A whole year has lapsed and today we have also been told that a Bill will now be Tabled in this House to increase the pensioners' pensions. We have not been very, very kind to the pensioners and I would like to appeal to the Minister for Finance to immediately bring the Bill here for debate so that the pensioners can benefit from the funds that are available and their problems can be eased. Pensioners have a lot of problems, some of their best friends are doctors and doctors a lot of money from them because pensioners are elderly people and they need this money immediately to pay their medical bills, to purchase drugs and the rest. So, this should not be allowed to continue for another year, so that in 1997 we hear again that a Bill will be brought to Parliament for debate. Let it be brought immediately so that pensioners can benefit. I know quite a number of Members of Parliament here are pensioners and they stand to benefit. So, let us stress this issue.

The other point I would like to make, Mr. Temporary Deputy Speaker, Sir, is the Road Maintenance Levy. The Road Maintenance Levy is a very good idea which was started sometime back and we note that Road Maintenance Levy has been increased. What we are asking for is, let this Road Maintenance Levy be utilised for the purpose intended. Let us see rural access roads being worked on, being improved, being repaired so that the people in the rural areas particularly can benefit in the transportation of their agricultural products from the rural areas to the markets; to the towns. We are not seeing very much that is being done. If we are going to encourage our people to pay the Road Maintenance Levy, let us see the roads being worked on. Unfortunately, the increase of the Road Maintenance Levy is encouraging the Transport Industry to increase the fares. We are benefitting in one way, and suffering the other way. In that, we are now going to pay a lot of money in transportation. Can we not find ways and means of asking those involved in the Transport Industry not to make the ordinary mwananchi suffer so much?

The last point I would like to mention here, Mr. Temporary Deputy Speaker, Sir, is, let us be serious in assisting disadvantaged areas in as far as education is concerned. We note also that the budget on education is going to be increased. Let us not increase the budget on education and get areas which are already advantaged benefit more than areas which are disadvantaged. We have districts which are suffering so much. Some primary schools and even secondary schools are not even worth being called secondary schools because of lack of not only physical facilities but also books and other essential facilities that are supposed to be used by the children of these schools. It is no wonder that in some of these areas children never do well in their examinations and it is because they are neglected. Let us make sure that most of the money that we are voting for educational purposes is channelled to these disadvantaged areas. Most of these disadvantaged areas include North Eastern Province, Coast Province, Eastern Province and parts of Rift-Valley. So, it is a very good idea, the Budget is very encouraging indeed but it will depend on its implementation. It will depend on whether civil servants, are going to deliver the goods or not.

With those remarks, I support the Budget.

**The Assistant Minister, Office of the President** (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, this is the type of Budget we expect in an economy that is becoming more and more liberalised. I realise that now the Road Maintenance Levy---

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is he in order to say "we"? Is this "we" the royal "we"? What right has this speaker to speak on my behalf or the other people's behalf? He should speak on his own behalf.

**The Temporary Deputy Speaker** (Mr. Wetangula): He is an Assistant Minister of the Government. He could be speaking on behalf of Government.

**The Assistant Minister, Office of the President** (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, there will be more revenue accruing from the Road Maintenance Levy and the importance of roads cannot be overstated. We require to build more roads, we require to improve the ones we have. I keep on saying all the time that the policies are good but if we get civil servants who are not going to implement these policies properly, it can all become a sham. I want to call upon those officers in the Ministry of Public Works and Housing to ensure that the Road Maintenance Levy is particularly used well because that is what will bring more development to this country. The road is the gateway to a lot of development in many, many areas in Kenya. I sometimes worry at the standards of the roads that we are building and I hope that the civil servants who have the duty of ensuring that the roads are well built should actually supervise and ensure that standards are kept.

Mr. Temporary Deputy Speaker, Sir, I hope that the Road Maintenance Levy will also be used to supplement the funds of Narok County Council and Trans Mara County Council in the development of Roads in Maasai Mara. There is no denying that tourism is a very important revenue earner for this country and it not just a revenue earner for Narok County Council and Trans Mara County Council, it is also a revenue earner for the entire nation and I think it is very important that money from this particular levy goes to supplement what Narok County Council and Trans Mara County Council are doing to maintain the roads within the Mara. It is a shame that the greatest national game reserve in this region has the poorest roads. I think it is important that we should now not just talk about the roads that go to tea or coffee growing areas. I think it is time that this country realised that Maasai Mara Game Reserve earns a very substantial amount of money, and that this House needs to vote money to go and develop roads in the Maasai Mara. We have a gold mine called "the Maasai Mara National Game Reserve". Every year we have a big number of tourists visiting it. It is also important that a substantial amount of the money voted for security does, in fact, go into maintaining security in the Maasai Mara National Game Reserve. So far, the Government has been maintaining security around the game reserve and the county councils have been providing rangers to maintain security within the Maasai Mara with the assistance of a few officers from the Kenya Wildlife Service (KWS). It is very important that money for security is provided in order to ensure that this gold mine of Kenya, which has been looked after by the two county councils of Narok and Trans Mara Districts, is supplemented with money voted by Parliament.

Mr. Temporary Deputy Speaker, Sir, we in this country need to realise that agriculture is a very crucial aspect of our economy. I think it is important to again say that the farmer needs to be protected. Every economy protects its farmers. Although liberalisation is something we have accepted, it is still crucial for us to maintain a substantial degree of protection so that we do not end up destroying our own people for a principle called "liberalisation". I think, while we must liberalise, we must do it carefully so that we do not destroy our own farmer. I personally look forward to the time when we shall open up the Kenya Meat Commission (KMC). Coming from a pastoralist area, I realise that we have no markets for our livestock. We take our animals to be sold at Dagoretti Market, but that market is becoming kind of crowded by cattle from North Eastern Province, Samburu, Trans Mara and Kajiado. Furthermore, that market is not substantial enough to absorb the number of cattle that we want to sell. If we would like to improve the economic standing of the people in pastoralist areas it is important that we re-open the KMC, which has now been renovated by the Mitsubishi Corporation and other companies. In this way we can provide canned beef to Pakistan, Arab states and other countries and also be able to cater for the local market. I think I look forward to the time when we will have the KMC re-opened and the time when our farmers will be able to supply their cattle to a sure buyer who has a sure market.

Let me come to the question of school fees bursary. Now, we have a bursary fund for secondary schools fees. Money from this fund should not be distributed equally: It should be distributed equitably. We as a Government have asked for the money and Parliament has voted it. After this, the money goes to civil servants who use distribution formulae that are discriminatory. I think that is wrong. In fact, this is what is going to adversely affect areas that are behind in education. It beats sense to see a place - I do not what to name a particular province - that already has many schools and wealth getting more bursary money than for instance, Trans Mara District. This year we got only Kshs116,000 for the whole year. This amount is going to cater for nine children, and yet other people have got Kshs5 million. I think it is important that this bursary fund be well administered. There are areas that are behind in education. This is particularly so in the case of the arid and semi-arid areas, which were deliberately left out of the development process during the first 15 years of our Independence. I think it is crucial that the civil servants in the Ministry of Education are made sensitive to the actual needs of the people of this country. They should avoid the famous saying: "More will be given unto him who has more and he who has not will have the little he has taken away". I think that if that is done, more and more students will benefit from the bursary fund.

Lastly, Mr. Temporary Deputy Speaker, Sir, I want to say that it was clearly stated by the Minister for Finance - this is also the Government stand - that the money to be voted by this House for the National Youth Development Fund (NYDF) and the Harambee that we intend to hold for this Fund is not a KANU affair. One of the greatest things in this country is the fact that we publish our monetary allocations in this House. My friends from the Opposition have been saying very clearly, both in this House and outside it, that there is no need to be in KANU since, in fact, we are all benefiting. They always support this argument with our Budget. That is, in fact, the policy of this Government. We do not develop areas because they supported us politically in 1992 or because they will support us in 1997. We develop the entire country because we are the Government of the entire country. The Youth Fund will be distributed to the entire young population of this country, irrespective of where they are.

*(Hon. Mak'Onyango murmured something)*

After all, the hon. Member for Alego/Usonga will realise that in 1997 many young people in his constituency will vote for KANU, any way. So, he should not worry about this Fund. The Youth Fund will be disbursed equally and equitably to all parts of this country. With those few words, I beg to support.

**Dr. Lwali-Oyondi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for allowing me to say a little bit in 10 minutes on this Budget Speech. I would have said a lot but I will just make a few comments. First, I would like to refer to the money to be voted to the Youth Fund. Here is a Government looking for money without giving the House the programmes it will be used on. The money is just being collected and then after its collection the Government will think of what to do with it. This idea was hatched outside this House, but we complained about it and now it has been brought into the House.

We have fears that this money may be used on purposes other than those intended. We have collected a lot of money for various projects. Examples are the money for the Mtongwe Ferry Disaster, whose single cent nobody has seen. The money collected in aid of the disabled was also amorphously used. Money was also collected for the Ngai Ndethya Train Disaster victims, but nobody knows where it went. The people who lost their property and loved ones have never been compensated up to now. I am just wondering as to what sort of injection will be given to those who collect this money so that they do not misuse it. Apart from that, we are not oblivious of the fact that a lot of our tax money is wasted. It is all written in the Public Investments and Public Accounts Committees reports. These reports show that a lot of billions of the tax money that is collected is misused. After this, we begin to wonder why we are becoming poorer. Now, some of those who have misused this money have become philanthropists! After causing a lot of poverty and breeding many street children, there are people coming up as philanthropists who want to help the street children. This has been the trend. You cut somebody and then you stitch him and say that you are a very good person. This is the sort of behaviour we have in this Government.

Mr. Temporary Deputy Speaker, Sir, may I talk about the Civil Service Reform Programme. The Minister talked about 20 per cent reduction in the staffing of the Civil Service. That is good. Probably it might improve the efficiency of the Civil Service, but those who have been retired under this programme, have ended up being very poor people. I have met some of the former civil servants in the streets and they look very poor. Why has this been the case? First, because the money they were supposed to be given was either drastically reduced or taken away from them. For example, a person who was supposed to have got Kshs100,000 only got Kshs60,000 thus losing Kshs40,000 and nobody knows where that money went. The poor man gets the Kshs 60,000 and after travelling for one or two years to Nairobi, ends up with no money and becomes one of the unemployed people. His children will definitely under such circumstances not go to school. Therefore, this retrenchment programme, instead of making businessmen out of civil servants, it has ended up making them poor and unemployed. This retrenchment which is supposed to reduce the Recurrent Expenditure on salaries will increase it because of the grabbing of the civil servants houses. In this way, the Government will end up renting houses for its employees from the private sector and will pay over 100 times what it usually pays for the Government houses and this will go to the taxpayers thereby increasing what is supposed to have been reduced.

Unemployment is rising instead of reducing. The national identity cards are not being issued in Nakuru. The young people who are looking for employment cannot get it because they do not have identity cards. In fact, in the whole of Nakuru East, nobody is being issued with any identity cards. Even the new version of the identity cards is not given out and I do not know what the Government is thinking about this matter. People living in Naivasha Division ought to get identity cards like anybody else. Those who have got the old identity cards should get the new ones and those who have never got any should have them. In the whole of Nakuru District nobody is being given any identity cards. Now one wonders how you can help the young people to get employment and at the same time not give them any identity cards.

The Government talks of trying to get employment for young people. You will find that the young people who are putting some little effort in being self-employed are harassed by either the administration or regular policemen and their goods confiscated. I do not know why this is happening.

Still on that point of unemployment, why can the Government not resettle the clash victims because that is one of the causes of unemployment? These people have been left with no employment and even their children are not going to school and yet they have got shambas and title deeds for them. If the Government really means anything, let it resettle these people and allow those who want to trade in town to go ahead. If you are denying them this opportunity, how are you going to help those who do not have anything?

With those few remarks, I beg to support.

**The Assistant Minister, Office of the President (Mr. Manga):** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this time to make a few remarks on this very important Bill.



First of all, I want to thank the Minister for Finance for the good work he has done for the last four years. He has really struggled to improve our economy and we can all see the results of hard work.

I want to call this Budget a balanced Budget and a poor man's Budget. This Budget has taken care of everybody in this country. One, I want to say that to exempt 140,000 workers from tax paying is really a big thing. If the Minister has done that by exempting those who earn up to Kshs6,000 per month, this is great because as you know, those people who are under us are the people who are really suffering because of inflation and economical problems that we have. This is great. I think the Minister has really done his work.

I know that from last night people have been complaining about the 70 cents increment on fuel but if the Road Maintenance Levy is well utilized, it is a very important element in our economy. The access roads that we have need to be taken care of because these roads affect our economy even for those who have cars. These people go on buying very expensive spare parts because the roads are bad and for those who do not own cars, they still travel in matatus which use these bad roads. I want to give an example of my own district; Kuria, where the matatu fares change every time it rains in some areas. This is so because they spend a lot of time on the way because of getting stuck in the mud. These charges depend on the roads. If the road is smooth then the fare is low and, therefore, even the people who do not own cars will actually benefit from this levy. You cannot actually have everything. You have to give and take and, therefore, for 70 cents to go into maintaining roads so that you can also transport your agricultural products easily and do not carry them on your head for a long distance, is not wrong. I want to give an example of my own district where we are now harvesting tobacco. This crop has been actually a problem to transport because our farmers are very much in the interior of the land. When they get the tobacco harvested, they want to transport it to the buying centres and it takes a long time to do that. Sometimes they even have to hire pick-ups or lorries and these people are very reluctant to transport this crop or if they accept, they charge exorbitantly. Because of these problems you will find that by the time the farmer sells his tobacco, the net profit is actually very negligible and this is because of the bad roads. The additional 70 cents per little should not be a reason to term this Budget bad.

Mr. Temporary Deputy Speaker, Sir, on the Road Maintenance Levy, I want to say one thing. As my friend, hon. Sunkuli said, the utilisation of these funds has not been properly done. In most cases, you will find that money is given, but there are no equipments. If there are no graders, shovels, tippers, you will have the money but you cannot do the job. For you to gravel a road, and I think 75 per cent of our roads are murramed, or to maintain those roads, you will need those equipments.

So, I will ask the Minister for Public Works and Housing, to actually utilise that levy in buying equipment. There is no need giving the works officer money, when he cannot get a grader, a tipper or a shovel to load the murram, to repair the roads.

Therefore, it is important that the Ministry of Public Works consider using part of this money for buying the equipment and machinery for making the roads.

Mr. Temporary Deputy Speaker, Sir, this Budget has increased the education budget by 10 per cent. Education is very important in this country. It is very important and everywhere and a 10 per cent increase is quite something. But I want to say this: We have been told that the bursary has been doubled. I must also say that the method used in distributing the bursary is totally wrong. We are now currently using the streams or the number of children that you have in a district. But, you will find in some places, there is real poverty. People do not even harvest for two years. Due to that factor, there are very few schools or none at all. These people do not get any money. Indeed, these are the people who actually require this money. If we have 20,000 or 100,000 children, they all require the bursaries. You will find another place with 300 children, and only 50 children require the bursaries, because the agricultural produce is quite good and people have the money.

So, you can not use that method. I think there should be another method of distributing the bursary funds, because the method that we are using now is very unfair to people in areas like North-Eastern Province, Nyatike and Migori. These bursaries do not actually meet their needs. So, we should find a way of rectifying this situation. The Minister for Education should utilise the rise of 10 per cent and the doubling of the bursaries, by using another method of distribution of these bursaries, so that they can reach the poor people.

Mr. Temporary Deputy Speaker, Sir, I am happy that this Budget increased medical expenditure by 19 per cent. Right now in Kisii, Kuria and Migori, children of less than five years old are dying. There is a disease which is called Highland Malaria. It has really been biting. They are dying because they cannot reach medicine distribution centres. We have been told that we have a lot of medicines, but the medicines cannot reach the people. Therefore, these additional funds should be used in putting up clinics and health centres so that the medicine can reach the people.

Mr. Temporary Deputy Speaker, Sir, I want to say something that the Leader of the Opposition mentioned, about the Kshs200 million that has been set aside for the National Youth Development Fund. Last

year, the President said that we were going to put it in the Budget. So, it is here not because the Leader of the Opposition mentioned that in Hamisi the other day.

With those remarks, I beg to support.

**Dr. Otieno-Kopiyo:** Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me an opportunity to attack this Budget. I wish to say that it is a Budget that was not well thought out. To me, it looks like it was prepared and presented in a hurry.

Mr. Temporary Deputy Speaker, Sir, to begin with, the proposals the Government that they will strive to create greater employment opportunities is not proven, if you have a casual look at these estimates. We in the Opposition have been yearning for greater rationalisation of the usage of power at the top level, through a constitutional amendment. This is precisely because we felt that there was too much power concentrated in the hands of one person.

If you look at the recurrent expenditure under Vote R1 for example, you will see that K£509,393,020 will be spent by the Office of the President. Under the same Ministry, the Department of Defence will spend K£384,656,010, at the same time, when the Ministry of Education which is facing critical shortage of facilities and funds, is only going to receive K£400,823,130. This does not justify the argument that they are going to do more, for example, to alleviate poverty. If you are saying, for example, that you are going to put more money in Jua Kali Sheds, you should ask why the Ministry of Research, Technical Training and Technology is receiving only K£106,642,220, at a time when the Office of the President and the Department of Defence, in a country which is not at war, is receiving K£384 million. That is my first concern. I think that this Budget does not consider the importance of the statement being made generally by the Minister for Finance.

The second point is on the question of the National Social Security Fund (NSSF). We on this side of the House feel that the Government's intentions in relation to the question of privatising the NSSF are suspect. They are suspect because right now, we have evidence here in Parliament that Kshs18 billion was spent out of the NSSF funds in suspect ways.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, Dr. Otieno-Kopiyo! You are flouting the rules. Is that not in the Public Accounts Committee Report?

**Dr. Otieno-Kopiyo:** Yes. I recognise the facts, but who brought the Budget with the NSSF issues. It is not me! The Minister for Finance brought it here, and he is saying that they are going to privatise it, at a time when Parliament is still investigating the massive corruption that has taken place there. But further more, they are going to privatise NSSF under the supervision of the very officers, whom Parliament has already condemned as corrupt.

That gives us a right to feel that there is something the Government is very anxious to hide and very quickly. The Government should keep off NSSF; NSSF belongs to workers, the money belong to workers and the workers should be involved in the management of NSSF funds in a meaningful manner. We cannot use the workers' money as a slash-fund for financing shady political deals.

Mr. Temporary Deputy Speaker, Sir, the so-called National Youth Development Fund can also be termed alternatively, as KANU Youth Development Fund. This KANU Youth Development Fund has no prospectus, there is no plan which has been brought before anybody to estimate how much money is projected to be spent and on what. We cannot go about collecting money on a project that we are yet speculating, a project that has not been defined. A few questions: Where is the prospectus? Who is the target group? What method is going to be used to reach and identify those people? Who is going to account for this fund? And who is auditing the eventual utilisation of that fund? The Government would wish to say that they are more interested in youth welfare than the Opposition, but the truth is that the KANU Government has been in power for 33 years. Did they not know that they were producing children? Did they not know that one day these youth will need employment and development? Or have they just woken up the other day and realised, "Oh! we need Kshs200 million from the Budget plus what they have collected from corrupt Indians to be able to finance the the National Youth Development Fund in this country? This is a bad joke and we must resist it with all the energy we can garner. Public funds must be used only where it can be accounted for and the Government is not prepared to explain to us how they are going to account for this. They want easy petty cash particularly in 1997 when we are heading for general elections. We will reject it and will continue to reject it and we will tell our people not to be involved in any of that kind of shady deals.

Mr. Temporary Deputy Speaker, Sir, I wanted also to say that I am glad that the Minister for Finance, whom I have a lot of respect for, veered away clearly, from the mistakes made by the Vice-President and Minister for Planning and National Development when he was presenting the Economic Survey. The Vice-President and Minister for Planning and National Development who is a professor of mathematics told us that the Government lowered inflation rate from 46 per cent in 1995 to 1.6 per cent, in one year. We cannot quarrel with that, I do not

have those figures which he has, but then he created employment by 25 per cent. Out of 2 million people who are unemployed, he told us that he has created 523,000 jobs. Elementary economics will tell you that you can do one but not both. When you increase employment, the mechanism employed to do that creates inflation. There is no way you can do both at once, we are yet to find out this formula that was used by His Excellency the Vice-President and Minister for Planning and National Development. I am told by hon. Mak'Onyango that this called "Saitoinomics". This is a new terminology and I am glad he has mentioned it to me.

It is also said that the Minister for Finance, they have rained back the growth in the money supply to level consistent with stable growth. Granted, I think that happened, but what is he doing next? He is raising taxation on interest rates from 15 per cent to 20 per cent which will discourage savers from putting money in the banks. And that will increase the money supply in the market. Again to us these are elementary economics, we do not need to go to Oxford University for accounting to be able to understand this.

Mr. Temporary Deputy Speaker, Sir, the other thing that he mentioned which is of concern generally, and that is the question of interest rates in the banks. The financial services sector continued to expand rapidly in 1995 and now accounts for just under 10 per cent of GDP. The profits of the banking sector have been impressive and reflect to some extent the very high level of interest rates differentials which still prevail despite appeals for greater moderation. Banks have to choose. Are they going to be banks which help facilitate the process of economic activity or are they going to be the main economic activity? Interest rates that are being charged in the market, there is no industrialisation that can take place in our country if banks are charging 34 per cent. Are we going to borrow this money to print money, to buy machines for printing money, or are we going to borrow that money to make profit? There is now way businessmen and investors are going to be expected to borrow money up to those rates and make reasonable profits. So there should be a regime as far as possible, they should be forced to lower those interest rates to realistic level in accordance with liberalised market and in accordance with normal international standards which are between 10 per cent and 15 per cent.

Mr. Temporary Deputy Speaker, Sir, I wanted also to commend the Minister for Finance for the efforts which he has made. We believe that if all Ministries worked in that spirit, this Government would be working better. Unfortunately, they have many Ministers who have more stomachs than brains and they should be sacked so that people who are capable should be put in those places.

Mr. Temporary Deputy Speaker, Sir, one note of regret is that Kenya is an agricultural country. Why are agricultural implements being charged duty while at the same time the duty on maize import is so low? Maize import will attract only 25 per cent. Chewing-gums, we are still importing chewing-gums 33 years after Independence, will attract only 35 per cent. The top rate of tax has been lowered so that Kenya today is fully an importer country. We are not making any pretence that we will do import substitution and all those things that we made a lot of noise about for so many decades. We are now a fully liberalised economy which intends to import, the top rate has been brought down from 45 per cent to 35 per cent when the lower rate that affects the people at the bottom has been brought from 6 per cent to 8 per cent. I think that this Budget was not well thought out. It has some positive elements. I do not wish to condemn it wholesale, but it has some elements that need to be corrected.

Finally, on the Youth Development Fund, the Minister for Finance should withdraw that allocation of K£10 million which he is sending to the petty cash pocket of His Excellency the President forthwith. Thank you very much.

**Mr. Sankori:** Mr. Temporary Deputy Speaker, Sir, while supporting the Budget which was tabled in this House by the Minister for Finance, it is important to observe a few things that affect the economy of this country. A lot of taxes have been levied on various items or to the Kenyans. It is not a problem if you levy taxes and spend the money properly. We think that all these revenues from Customs and Excise duty and Value Added Tax (VAT), if used properly, will go a long way to assist the development of this country. But unfortunately, these funds are not properly utilised. It is high time that the Government closed these loopholes that are damaging the economy of this country.

It is also very important that whenever we start a revenue generating department or organisation, we should see to it that it generates money properly without just thinking about it and abandoning it within a very short time. I have in mind, for example, the toll stations. A few years ago, a lot of toll stations were put up all over the country, very beautiful buildings were built then, and all of a sudden, they were abandoned and the petroleum levy was brought on the scene. Surely, we should have seen pretty early that it is the petroleum levy we needed and not the toll stations. At the same time, even if we were going to abandon the toll stations, we should have made better use of those stations because a lot of Government funds were spent on putting them up. Equally, the weigh bridges--- A beautiful weigh bridge was built just between here and Athi River and another one was built near Mombasa, and I do not think they are serving their intended purpose. Why? All these things go

together in a cycle. They were supposed to weigh vehicles that are overloaded, but because of some personal interests, we decided to leave the toll stations alone. Now we are talking of the roads. There is no way we can maintain our roads, especially the highways, with the kind of heavy traffic that we are putting on our roads. Even if we were to hire the best engineer in the whole world, I do not think he would be able to make a road that can withstand the weight of the kind of the heavy commercial vehicles that are passing on our roads. It is high time that we realised that heavy vehicles should not be allowed to move on roads meant for lighter vehicles. Let the heavy loads be transported by railway, and we will save a lot of revenue spent in maintaining our roads and, at the same time, save a lot of our revenue instead of buying spares of motor vehicles every now and then. Without doing that, we will be actually just talking. It is high time the Minister concerned brought a Bill to this House so that we bar a certain tonnage of vehicles from passing on our roads.

Mr. Temporary Deputy Speaker, Sir, when we talk of roads, we touch on a very basic means of transport in our country. A lot of lives have been lost as a result of the poor state of our roads for which sometime we blame the matatu drivers. I agree, the matatus might be the major cause, but there are some other contributory factors to that, which to me, are our bad roads that actually spoil a lot of spares in those matatus. If our roads were good, we probably would have better buses that carry many people at once and comfortably. So, let us see to it that we maintain our roads. It is unfortunate when I hear some people crying of roads because I do not think they know what bad roads are. I am referring especially to people from Central Province. It is only Thika road that has got a dual carriage way and also the one up to Limuru. They behave as though they have got a right to those dual carriage way roads. We do not have a dual carriage way road from here to Ngong, which is just a few kilometres from the City. People complain that they need good roads. We need a dual carriage way at least up to the turn off to Machakos. We need a dual carriage way road up to Lang'ata and Karen. Yet you hear people saying: "Oh, we have got bad roads," when they really do know what bad roads are.

Mr. Temporary Deputy Speaker, Sir, we expect the Central Bank of Kenya (CBK) to advise the Government on the economy of this country. I am sorry to state that of late, the CBK has failed us in various ways, including the printing of very poor kind of coins and notes. They are not only poor but also dangerous. They are so small that you find children swallowing them because they mistake them for sweets. I think that the Governor of the CBK should withdraw the recently introduced Kshs10, Kshs5 and leave the old "opposition" Kshs5 coin. It is called "opposition" coin because it is the only one that is accepted by the society.

I would like to say that farmers were not well taken care of in this Budget. I am saying so because the Kenyan farmers are not very good in agriculture, but are very good in animal husbandry. We have not seen anything that is encouraging the farmers of this country to either produce more meat or milk. If you look at Kabete Laboratory, which is supposed to manufacture vaccines for our animals, it is dying. I am not surprised to tell you here that very soon, Kenya will be having incurable diseases like the "mad cow disease" which broke out in Britain. Unless the Minister for Agriculture, Livestock Development and Marketing does something very soon, we are actually going to have a very big problem.

Mr. Temporary Deputy Speaker, Sir, turning to education, I support hon. Sunkuli when he said that some districts were neglected by the Colonialists, and it is high time now that this Government elevated their standard of education. These are the Arid and Semi Arid Lands (ASAL) districts. When you tell us that we must be like the Luo or the Kikuyu, we cannot, because they are 30 or 40 years ahead of us. Hon. Raila is probably the fourth generation of educated people in Luoland, while we are the first generation in our area.

Mr. Temporary Deputy Speaker, Sir, it is absurd to hear some hon. Members of the Opposition opposing the Youth Development Fund. They are asking why it should be brought to Parliament. When the Government goes ahead without bringing it to Parliament, they complain that it has not been brought to Parliament. Now you fail to understand what we should do. When we bring it to Parliament for it to be discussed, they say: "Why did you bring it?" When we do not bring it to Parliament, they say: "Why did you not bring it?" The Government found that there is a problem of employment in Kenya and the only way to help the youth is to find funds that can help the youth to generate their own income. That is why the Government decided to bring this to this House for us to discuss and find the best way to solve this problem. When you say KANU--- You cannot de-link KANU and the Government. For your information, we are one and the same thing. You cannot have the Government without KANU.

When we talk of the wildlife, it is important that the Minister for Tourism and Wildlife--- In actual fact, he should be known as the "Minister for terrorism". The animals are terrorising our farms and animals, and we are getting nothing out of it. So, the Minister concerned should pay attention to the wild animals and, the farmers should be given the right of compensation, not only for their animals but also for their crops and their lives.

Water is a very scarce commodity in some areas, and the Government should do something, especially in

Kajiado District, to alleviate the water situation. We have got a very rich country, and if it is well watered, we will definitely go a long way in development.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, I would like to make my contributions on the Budget Speech, but before I do that, I would like to make one correction about the National Youth Development Fund.

The Opposition is not blindly opposed to the National Youth Development Fund. It is asking this: "What method, plans and rationale are there behind the National Youth Development Fund." When we talk of trying to create employment for two million young people who enter the job market every year without employment, you do not do it through Harambee. You do it through a proper plan that is worked out by the Government by setting aside proper budgetary provisions for this. That is how you do it. But if you are going to do it through Harambee for one year, it is not going to solve the problem of the two million youth entering the job market every year.

In order to create employment, you must have a policy for investment. I am afraid that this whole Budget has hardly anything on how the Government is going to create investment if this country is going to encourage both domestic and foreign investors to put money and capital in this country so that you can deal with the two million youths entering the job entering the job market every year.

*[The Temporary Deputy Speaker  
(Mr. Wetangula) left the Chair]*

*[Mr. Speaker resumed the Chair]*

Mr. Speaker, Sir, the Budget Speech says as follows:

"The Government is going to set aside Kshs200 million for the National Youth Development Fund."

What is this money going to do? In another words, the Government is expecting through Harambee, to raise the Kshs8.5 billion that will be needed to create employment for the two million youths entering the job market every year. We are just questioning the sense behind this programme. It does not make sense at all and we had better tell the truth rather than cheat this country. We are not going to deal with unemployment by having cosmetic measures like the National Youth Development Fund. So, I think we should be understood.

Secondly, I would like to say that this is the first Budget in which I have listened to the Minister for Finance deliver a Budget Speech without a central theme. Previously, we had themes like growth with development, growth with equity and so on. The theme should not just hang there by itself. It should be followed concretely with certain measures that actually implement the theme. I would say that this Budget here is like a woman going to the market with some money from the house and trying to decide how she is going to spend this money in buying *Sukuma Wiki* and everything else and she finds that she has overrun the budget and, therefore, you need a loan to complete what she wants to buy and hence the deficit in the Budget. So, a Budget without a theme is really a shopping list.

Thirdly, there is no way we are going to get out of the trap of underdevelopment without debt relief. It is high time our Government took a firm negotiating stand about debt relief. With 79 per cent of the GDP being used to service our debt - not to pay the principal - just to service, it is too heavy for this country. That is one of the reasons why every time there is a Budget, there must be increase in taxation. For every Kshs100 we pay in form of tax, Kshs79 goes towards servicing the debt. What is left is a paltry Kshs1 that will go towards paying salaries, for roads, Development Expenditure and all that. This is too heavy for a developing nation like ours. If this Government could look at the history - the genesis and evolution of our debts, it should be in a position to make a strong stand to the world community for debt relief. But the problem is that they cannot. The world community looks at them and tells them: "But you are too corrupt. Why do you not use some of the money you use corruptly to pay some of these debts?" This is the problem. Unless you get a clean Government with a national purpose, a Government with men and women with credibility, you will never get debt relief in this nation.

We need debt relief in order to develop, but we have a bad Government that cannot make a case for debt relief.

So, one of the things that Kenyans must realise is that we must identify in this nation, credible people - a team of people which will have a national standing - with international credibility to make a case for debt relief so that our people can be relieved of this too much taxation without development. Americans once said: "There is no taxation without representation." We are also saying: "There should be no taxation without development." The only way we can have taxation with development is to have men and women of credibility who can govern

this nation and can relieve us from the debt burden that is weighing us down like an albatross in our necks.

I would also like to comment on another point in connection with how this Government raises revenue without using it properly. We have spoken about the National Social Security Fund. But I want to tell you that there is another Fund which we have forgotten to speak about. It is going to be my mission during this session of Parliament to pursue the affairs of the National Hospital Insurance Fund (NHIF) as much as I have pursued the affairs of the National Social Security Fund. There are many Kenyans who pay medical contributions to the NHIF, but they never make any claims from it myself included. I have always wondered where the money that I pay to the NHIF goes to. If you go to the NSSF building, you will find that from the 1st to the 8th floors have been rented by the NHIF, but they have never occupied those floors. In other words, they are paying money to the renters in that building without occupying those offices.

Why this waste? Have we ever asked ourselves how the NHIF invests its money in as much as we have asked about the National Social Security Fund? If we go deep into it, you will find that there is yet another scandal awaiting us in the administration of the funds of the NHIF and I would like the Government, rather than shopping around looking for loans so that we can develop, to use these sources of domestic savings much more productively. We must realise that the NHIF and NSSF funds are sources of domestic savings that should be used for domestic capital formation which will be the basis of dealing with unemployment in this country and hence the basis for poverty alleviation.

The Government meets the World Bank and the International Monetary Fund and they produce a Policy Framework Paper one of whose objectives is poverty alleviation. But the Government has resources here for poverty alleviation which it does not use. In other words, this is like a student who goes to the classroom, listens to a teacher pronounce certain good words, believes he knows what those good words are, but he actually does not care so that he can never employ those good words into his own daily life in order to improve his daily life.

If we are talking about poverty alleviation, we must talk about productive investment in this country which will create jobs for our people. We raise money for example, through the Hotel Levy, the Road Levy and the Standardization Levy and these are good monies for the Government to use properly. But how does it use it?

Recently, I spoke about the Standardization Levy and I said, that, the Government is able to raise at least Kshs1 billion every month to go towards investment. But where does this money go to? It is not the management of the Kenya Bureau of Standards which I was referring to. I was referring to the Exchequer - or whoever is responsible for the collection of that Standardization Levy - to tell us in this Budget and in the Development Expenditure Estimates how these levies are to be used. There is no need to tell us generally that we are going to use this money in improving the infrastructure in general, and then the Minister counts the infrastructure by saying Kipevu Power Plant. Kipevu Power Plant was in the Budget three years ago and not now. It is something which should have been completed by now.

In this particular Budget, we want details of the kinds of infrastructures that is going to be improved. We must talk specifically of the social infrastructures that we are dealing with and that is education and health. We must talk specifically of the physical infrastructure that we are dealing with, and that is rail roads, telecommunications and road networks. In this Budget, there is not a single word about what we are going to do with our rail roads. Our rail roads, as we inherited them from colonial times have remained the same and the only thing we know about them is when trains get derailed on the routes and people are killed. That is when we are reminded that we have railways. But, whenever there is a Budget, we never hear anything on how we are going to improve our railways and yet the railways are the best mode of transportation. I hope there is something in the Development Expenditure this time that devote some money for improving our rail roads.

We must do something about health, because K£669 million will only mean Kshs446 per person. That is too little to improve our health in this country.

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

**Mr. Mathenge:** Thank you, Mr. Speaker, Sir, for giving me a chance to contribute to the Budget Speech. First of all, I would like to say that the Budget is fair as far as I have seen it, but it is very mean on the roads. The Government may be congratulated for having given priority to public Health and Education Votes, but to me this Government does not appear to have priorities on expenditure. The Government should give priority to sources that will give it more money for financing development and sustaining development. In that case, the Government should consider Agriculture in this country as a first priority followed by Industry, and Tourism. But if you look at the Budget, you will see that very few incentives have been given to Agriculture. Waiving duty on the importation of wheat, wheat-flour and maize, and freeing duty on importation of semen are not enough to give impetus to the development of agriculture. If you look at the Tourism Industry, the only little thing done to promote tourism is to allow professionals who come to Kenya, to look for possibilities of promoting Tourism business. The services they get at the hotels and restaurants are exempted from VAT. Surely, that is nothing.

That is like chicken feed or a drop in the ocean. The Government should explore how Tourism can be promoted through advertisements in overseas countries and locally.

The roads leading to the national parks and hotels in places like the Coast, especially in the South-Coast, North-Coast, Malindi, Maasai Maara Area and elsewhere, should be improved so that the tourists can get there with ease and spend their money there. But as roads stand today, vehicles going on those roads return to Nairobi without some parts. If the Government is serious on trying to earn revenue from tourism, it should concentrate on improving roads. And most of those roads are murrum roads, anyway, and I do not see why the Government should not be able to murrum them and keep them in good condition all the time. If you look at the roads in Central Province, and in Nyeri District, in particular, they are in a pathetic conditions because they have not been repaired for the last three or four years, and yet for the last two, three years, this Parliament has been passing funds for the maintenance of roads in those areas. The vehicles coming from Central Province to Nairobi, consume a lot of fuel, and, therefore, the people in those areas are entitled to ask what portion of the money earned from the Petroleum Levy is spent on the maintenance roads there. We do not know where the money goes. We keep on paying Petroleum Levy and now I see here that the Petroleum Levy has been increased to Kshs 2.60 per litre which is a lot of money. Most of the fuel is used here in Nairobi, Mombasa and Central Province. We should, therefore, use that money to improve those roads where that money is earned. If you look at roads in Industrial Area, Nairobi, where most industries are located which manufacture goods for export and also sell locally, the roads there are impassable. You need a 4WD vehicle to get to some parts of Industrial Area; just here in this City! In Mombasa, itself, the industries are suffering because of poor roads.

Mr. Speaker, Sir, another thing that this Government should consider is power supply. There have been several power-cuts recently with the result that some industries have had to close down their operations owing to the power failure. The Government should have given due consideration to the improvement of power supply to the industries and homes as well.

While looking at VAT, one can notice that the Government has standardised the VAT from 25 per cent to 15 per cent. But the increment in VAT from 6 per cent to 8 per cent will affect people who use skills or people whose incomes are very low. They will be worst hit by this increment on VAT.

Another thing is the removal of duty from the importation of secondhand clothes. Secondhand clothes have been killing our Textile Industry, and they have also retarded the development of cotton growing areas. Therefore, the Government must find ways of making sure that the people in cotton growing areas are induced or given incentives to produce cotton for our factories and for export. In the sugar growing areas, the Government seems to have given no incentive at all. There is need to give incentives to sugar growing areas, so that we can be self-sufficient in sugar supply.

Mr. Speaker, Sir, I wish to support this Budget, but I would like to ask the Government to draw its priorities and finance priorities where projects are likely to earn more revenue to sustain development and to make this country grow more rapidly. This Government should not only consider consuming what it gets, but it should consider investing what it gets so that it can generate its income and help the people to raise their living standards throughout, as well as creating employment opportunities for our population, particularly the youth.

With those few words, I support the Budget.

**Prof. Mzee:** Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to contribute to this Budget Speech.

The Budget Speech, in many places, has been vague and in other areas, it is bordering on untruth. There are a number of statements which are made here, which may not be totally true. I am resisting from using the word "lies" because it is unparliamentary language. Being an educationist, a former University Professor, I think I would like to comment first of all, on education and, then as a veterinarian, possibly, go to agriculture, and then touch on other aspects of this Budget.

Mr. Speaker, Sir, if we look at the comments and allocations in Education, you will find that the ratio of the allocation in reference to Current and Development Expenditure is 1:8. For every Kshs 9.00 being spent on Education, only Kshs 1.00 is being spent on development. This is a very sad thing because of two aspects. One, is that K£1.5 billion has been allocated to Recurrent Expenditure out of K£1.7 billion total amount which is being allocated to Education. Most of the K£ 1.5 billion goes to support a bloated bureaucracy. Out of K£ 1.5 billion, half of it or slightly less than half of it goes to pay salaries of teachers. The major part of this K£ 1.5 billion is for maintaining the administration of the Ministry of Education, the Teachers Service Commission and other related bodies to education. I think this is a very unfair distribution when we deal with an important aspect of education. In education, the most important person is the teacher. The teacher today is the most neglected person. He is very poorly paid. He absolutely does not get a lot of other privileges like the benefits of health where he is paid a very small amount of medical allowance. Even the teachers salary arrives in the bank very late leading to the teachers

being not looked after. In most cases they do not receive their salary until the 10th day of the month and I do not know why this should be so.

Mr. Speaker, Sir, these should have been a lot of money which should have been allocated to improve the structure of the schools which have fallen apart since the Government stopped issuing any grants to any school, whether primary or secondary. I have seen schools falling apart in my constituency due to rain and due to lack of maintenance. The classrooms have fallen apart and the schools have been reduced to ruins and it is very important that the Development Budget should have been increased beyond K£0.2 million which has been allocated in this Budget. It is important that the infrastructure of the education system be improved rather than spending most of the money to support the bureaucracy in the education system.

Mr. Speaker, Sir, then there is this question of a lot of frustrations in the public universities in the recent years. There has been a considerable expansion in the student intake and expenditure within the universities. This is a pyramid set upside down. In actual fact what we should have done is to expand the middle level colleges, like the polytechnic which have been neglected for they are ever receiving third or fourth priorities in the expenditure of education. The other thing is that when you come to the University where recently in the last two or three years there has been a major expansion in the number of students intake, the staff changes after every ten years. If you go to the university after every ten years, you will not see the same staff because this staff which should be there doing research and maintaining standards of the university have been changed all over.

Mr. Speaker, Sir, we have spoken about the 8-4-4 system of education having some wrong things. There is absolutely something very wrong in this system. The 8-4-4 system both at the primary, secondary and university level is truly not preparing our students, who are our children, with the necessary skills and knowledge which we want to have. The standard of education after the introduction of the 8-4-4 system has deteriorated very considerably that the university degrees in our country at the present time are only equivalent to the former A-level education. You can actually see that we are having unqualified students being admitted to the university and at most times the university lecturers are spending two or three years bringing the students up to the university level and then spending only one year teaching them the university material. We are now producing sub-standard students from the secondary schools and universities who have absolutely no relevance to the skills and knowledge which we want these students to have. There is no short-cut. We have to overhaul the entire 8-4-4 system. This has to be done if we are true to ourselves about education. We have to stress, very much indeed, on the expansion of the middle level colleges and we have to pay a lot of attention to our primary and secondary education if we want to strengthen our education system.

Mr. Speaker, Sir, the people who suffer very much in the education system are the low income earners. Quite a number of the high income and middle class people are no longer sending their students to the Government schools because they know that they will not get the required type of education there. Most of them are sending their children to the private schools. Most of the Members of Parliament, senior civil servants and the well to do business people are sending their children to private schools because they know that in these private schools, their children can have good education. This question of education is very important and yet our Government has, year after year, refused to pay attention to education in our country.

Mr. Speaker, Sir, coming to agriculture, we find that agriculture is another sector which has been neglected even in this Budget. It has received only a mere two paragraphs. We continue to see importation of most agricultural products. This country still imports major amounts of sugar, rice and soon, I am saying that we are going to import maize due to lack of incentives for the farmers to plant maize. In the previous year and in this year, fewer and fewer farmers have planted maize. The result will be the consequences of famine which is already afflicting the Eastern and North Eastern Provinces at the present time. At this rate we will soon be importing maize as well. Year after year Ministers here blame the weather. The weather is the scapegoat of poor agricultural performance when in this country we have a lot of surface and underground water which can be used effectively in irrigation. Nothing of that sort is being encouraged even at the present time.

Mr. Speaker, Sir, last year and the previous year we have been given sub-standard seeds, seeds which have been imported in this country and which have not been bred to suit the country's environment. This is a very bad thing which is happening in the agricultural sector. Seeds are very important and good seeds make a difference in harvest. If you have poor seeds your harvest can even go below half the amount that you expect even if you apply enough fertilizers and a lot of work. There should be no neglect in seed production. If we have agricultural research farms being given away to people then where can the research in agriculture be done? And at the same time, in this Budget, we are talking about cost-sharing in research. Research is an investment and the Government should be taking care of research for the future of agricultural production in this country. Therefore, they should put every thing that they have in the investment in research to make sure that we have proper seeds, fertilizers and ratios of fertilizers being applied in farming.



Mr. Speaker, Sir, we cannot, as far as research is concerned, depend on cost-sharing. The Government has to play its part in cost-sharing.

I would like to comment on the National Youth Development Fund. This is a rip-off of tax payers money. As previous speakers have said, there is absolutely no plan which has been put forward to be discussed at any level. Not even in this Parliament. No plan has been put forward. It was absolutely wrong for the Minister for Finance to allocate Kshs200 million for this Fund. Even if the President collects Kshs500 million for this Fund and with 15 million unemployed and about 2 million youth coming to seek employment each year, hardly more than Kshs300 will be available to give advances for each youth for this purpose.

With these few words, I would request a lot of amendments to be done on the Budget.

**Mr. Nthenge:** Mr. Speaker, Sir, instead of the Minister throwing a bird into where all things started, he keeps it to a place where we have to pay rent and yet we have our own place, we have to pay servants and we have our own servants. That is money badly spent, which comes from the taxpayers. We should not go and hire a hotel because we are a poor nation and we cannot afford to be luxurious. A beggar cannot say he has to ride the best horse, quite often, he has to walk because he cannot afford a horse.

Mr. Speaker, Sir, let us tax the people and manage their money well. I was in the colonial Government and we are mismanaging what we took over from the colonial Government to the extent that there are potholes in Kenyatta Avenue and many other roads which we inherited. Our medical institutions, hospitals, health centres are without medicine; something which was unheard of at that time.

Another problem we are having with our taxation money is that you go to a place and you hear people saying that they cannot lend money to the Government because it has become a very bad debt payer. And in the olden days everybody looked for an order from the Government because he was sure of being paid. The pensioners, for example, are crying. They do not get their pension increase, and he has said it. All sorts of things are happening where the tax money is not well utilised. Now, where does that money go to and yet we tax the people? A lot of it goes to tycoons before we get it, who evade taxation. Rich people evade taxation. I pay more tax than some of the very rich people. Mr. Speaker, you pay more tax than they do. If you take their income tax file and compare it with hon. Kaparo's, you will find that hon. Kaparo is a richer man than the man who is 20 times richer, because they evade tax.

**Mr. Speaker:** Mr. Nthenge, is that the name of the Chair?

**Mr. Nthenge:** Sorry, Mr. Speaker, Sir. I wanted a name of a person. I am trying to say that there are many rich people who never pay taxes because they induce tax collectors, and that inducement of people who should collect tax is called corruption in the ordinary man's language. But they call it an inducement; they induce somebody. So, taxation is a very good thing and I do not mind paying any tax so long as that money becomes ours and we spend it well, the way it should be spent. We are mismanaging our revenue to the extent that over 50 per cent of our money does not reach the owner and the owner is the ordinary mwananchi.

Mr. Speaker, Sir, very few of us get proper service. Sometimes if they discover that it is Prof. Anyang' Nyong'o, or Prof. Mzee, who are Parliamentarians, then they behave well. Now, when the ordinary man goes there these days, he has to offer "chai", he has to bribe the workers to be given service. Even when you are paying a fine, you have to bribe somebody! He says that he is helping you, so he would like to look for your file. He says "see me over which time, we meet in such a restaurant". You have to buy him lunch, so that he can find your file and then you pay the fine. We are misusing our tax money by employing too many people who do too little. One of the best ways of managing our finances here is that we have to remember that we have a lot young women and men, we have a lot of dry land, and we have a lot of water going to the ocean and the lakes. We should spend our money by taking these youths, the water, the land and combine the two and that would be the end of the problem of unemployment, it would be the end of the problem of famine. It would be the end of the problem of food importation. On the contrary, we will be exporting food. People will be employed and we would tax them. Employed people are taxable and those who have no jobs are not taxable. Even if we have an intellectual like Prof. Anyang' Nyong'o and he is idle for two years we will get nothing out of him. He has the brain here but he is idle, we are locking him somewhere, he cannot work, he cannot write a book, but if we allow him to think and write a book, he will get money by selling his book and we will tax him. So, these youths, once they are sent to the dry country and water is provided, they will produce, make money and we will tax them and the country will be richer. We would have wonderful hospitals, doctors, health centres managed by qualified doctors, education, universities will be running very well. These days, because we are mismanaging our funds, our students are going overseas because you never know how long a degree course will take here in this country, because the intellectuals are very intelligent and you cannot control a person who is very intelligent. You have to give them a lot of freedom so that they can do research and find out how things can be done, whether they can improve somewhere or they have been making a mistake. Now we are over-controlling to the extent that the

lecturers, the professors and the students are getting annoyed and you hear of a closure. Now, a lot of people who can afford are sending their sons and daughters overseas because they do not want this idea of a bachelors degree taking five to six years.

Mr. Speaker, Sir, let me not go into the details, but the point I would like to make is, and I want it to be understood by the Government, let us tax as much as we can but let not a single cent go out. Let everybody here declare how they got their wealth, because now we are adoring wealth instead of adoring the nation. Everybody wants to lead and have a lot of money for himself and forget his nation. Let us become nationalistic and one way of becoming a nationalist is to ask everybody how he got his wealth. There are many lawyers now, we no longer have a shortage of lawyers. We can employ them to look into these things. We have a lot of accountants. These intellectuals should find out how Prof. Mzee got his wealth, if you find that he has evaded paying taxes amounting to Kshs2 million, make him pay. If we find that George Nthenge has escaped taxation amounting to Kshs30 million, let him pay for that amount, and so on. That way, we will give the riches of this nation back to the nation for the benefit of everybody including our beggars who need to be fed. At the moment people are bitter, because even students who are finishing university education are looking for a job until a year is gone. That is unheard of. It is because of financial mismanagement. With proper financial management, without theft, corruption, we are a very rich nation and instead of me buying six cars and all the other luxuries and investing overseas, we will have all money here. In fact, few of our people have invested abroad, the rich ones. If all the money we have invested outside Kenya came back, we will be better off. That is mismanagement of our taxation. This money is getting to their hands because of their position in the Government. So, originally that is the taxpayer's money, but being invested overseas because they feel that in case this country is in trouble, they can run away. Why not make it a better country so that you do not have to run away? Why not improve the country to the extent that you are sure it will be stable and you do not have to run away? Let the money come back.

With these few remarks, I beg to support.

**Mr. Gitau:** Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to the Financial Statement. When we listened to this Speech yesterday we wondered whether it was the Budget for the poor man or the Budget for the rich man or a speech to keep us busy in this House listening. While we agree a lot of work has been done by the Ministry's workers in the Treasury compiling this document, we still think that a lot needs to be done by the same Ministry because they do not pay attention to the areas they ought to.

Mr. Speaker, Sir, we in the Opposition, since 1992, have been challenging this Government for poor governance, we have been challenging this Government for being irresponsible in the management of the economy and this trend continues despite our cries in the darkness that this economy is being mismanaged. The Minister talked about tea and coffee; the improvement in production of tea and coffee, but the Minister considered only 20 per cent for the improvement of roads. Which roads is he talking about? Is he talking about urban roads, upcountry roads, roads in the farming areas or roads in the tourism zones? When I go to my area; Gatundu, which is a tea and coffee growing zone, the roads are extremely poor. These roads have been like that for the last four years, there has been no improvement on these roads and every year we are told that money has been set aside for road improvement and we do not see where this money goes to. Yet this Government is expecting my tea and coffee farmers from Gatundu to improve on their farming so that the country can earn foreign exchange and yet the Government is not supporting them. This is actually wrong and I think the increase of 20 per cent for the maintenance of roads is too low.

Mr. Speaker, Sir, again, the price increase on paraffin was uncalled for because where we do not have electricity, poor Kenyans rely on paraffin. Why should we add insult to injury? Our Kenyans are already very poor and yet we are asking them to spend more money to get light and fuel to cook their food, particularly those living in small towns. Here the Minister was very unfair to raise the price of fuel, particularly paraffin. In any case, also petrol, because when you increase the cost of petrol you actually affect every other sector of the economy. This is also unfair, the Minister surely ought to have addressed himself on the entire economy; on other areas of getting money for the Government other than increasing the price of fuel. That is diesel, paraffin and petrol.

Mr. Speaker, Sir, it is my opinion that when the Government wants to get money from working Kenyans it always increases tax on fuel, beer, cigarettes and so on, instead of addressing itself generally on improving the economy of this country. When I talk about the improvement of the economy in general, I want to address myself to the role of commercial banks. As far as most of us are concerned, for a couple of years, this year included, the role of commercial banks has been counter-productive to the economy of this country. This is because every year, we see Barclays Bank, the National Bank of Kenya and the Kenya Commercial Bank buying newspaper space to print for us the billions of money they make in form of profits. These profits are made by these banks at the expense of the poor businessman in this City and even in small towns in rural areas. Unless we are told that these

banks are free to exploit Kenyans who want to do business, the Government must decide what to do about them. I still believe that banks must be controlled. I cannot understand what kind of business my poor father can conduct after borrowing money from a bank at the interest rate of 30 per cent! The maximum the poor fellow can earn from his business, be it selling unga or running a matatu, is 10 per cent of the profit, which is also subjected to taxation. We must ask ourselves whether the banks are here to serve the common mwananchi or to loot the very citizens who have given them the opportunity to do business in this country.

I feel sad when we are being exploited by these commercial banks. I do not forget the fact that indigenous banks were deregistered because they were considered to be politically connected. The few indigenous banks that are operating are behaving like the big banks. I attribute this behaviour to greed. Commercial banks have become greedy: They want to make too much money within a very short time at the expense of the economy of this country. I am simply saying that our businesses are not growing.

When we were given a an opportunity to buy shares from the big commercial banks, politically influential people bought very many shares. We believe that our political leaders, whether they are in the Opposition or in the Government, are partisan. They are happy when the commercial banks are exploiting the small businessmen, who cannot borrow money to run their businesses. This is greed but these banks are actually politically protected.

We do remember that when Standard Chartered Bank workers went on strike, the top Mzungu in that bank told them that they could not go anywhere. He speaks very good Kiswahili and told the workers: "You cannot go anywhere. You can go on strike but you are not going to achieve anything. I can go to the highest office in this country". That shows that these banks have got political protection.

#### ADJOURNMENT

**Mr. Speaker:** Order! Hon. Members, it is time for us to interrupt our business, and the House is now adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.