

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 1st November, 2000

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

NOTICE OF MOTION

LEAVE TO INTRODUCE ELECTRIC
POWER (AMENDMENT) BILL

Capt. Ntwiga: Mr. Speaker, Sir, I beg to give notice of the following Motion:-
THAT, this House do grant leave to introduce a Bill for an Act of Parliament entitled the Electric Power (Amendment) Bill in order to allow for micro hydro-electricity power production in the rural areas.

ORAL ANSWERS TO QUESTIONS

Question No.523

CONSTRUCTION OF MAI MAHIU
POLICE STATION

Mr. Kihara asked the Minister of State, Office of the President, when the Government plans to build a fully fledged police station at Mai Mahiu.

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

The Government is aware of the need to establish a police station at Mai Mahiu, and is looking into ways of raising funds to construct the actual building. We have already got the land and so we are hoping that we will be able to construct the police station.

Mr. Kihara: Mr. Speaker, Sir, Mai Mahiu is an important fast growing junction town. It is very important that this place, which is also a transit town, is provided with a police station. Maybe, the Minister could give me an indication as to when funds will be made available, so that we can have a fully fledged police station.

Maj. Madoka: Mr. Speaker, Sir, I do agree that Mai Mahiu is a very fast growing town. We also know the problems that are there. There are about six to ten cases of highway robberies and we are doing our best to contain the situation. I cannot say for sure when they will be made available, but we are trying to relocate our funds to ensure that we provide a police station.

Mr. Speaker: Very well! Next Question!

Question No.121

REVENUE FROM LOITOKITOK
BORDER CONTROL

Mr. Speaker: Mr. Anyona not in? We will come back to that Question later on.
Next Question!

Question No.547

PAYMENT OF BENEFITS TO
MR. MRAMBA'S WIDOWS

Mr. Ayoki asked the Minister for Finance:-

- (a) if he is aware that the late Mr. Abong'o Mramba, Pensioner No.APN/PC 16274, died on 27th September, 1990 and his widows have not received his benefits to date; and,
 (b) when they will be paid.

The Assistant Minister for Finance and Planning (Mr. Marrirmoi): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the late Abong'o Mramba, Pensioner No.APN/PC 16274, died on 27th September, 1990. His two surviving wives have been paid their five years' dependants pension for the period between 28th September, 1990 to 27th September, 1995.

(b) Cheque No.139389 and cheque No.139390, each for Kshs19,145.30, were sent to Margaret Odeny and Grace Owuor through the DC Kisumu, on 5th September, 2000.

Mr. Ayoki: Mr. Speaker, Sir, you have noticed that it took the Government five years to make payment to these widows, despite the sufferings they were undergoing. Although the cheque was alleged to have been sent to the DC, up to yesterday the widows had not received any payment.

What is the Assistant Minister going to do to make sure that such payments are remitted to the beneficiaries promptly?

Mr. Marrirmoi: Mr. Speaker, Sir, I suspect the relatives of the late Abong'o have delayed to collect the cheques. However, I am sure they are with the DC, Kisumu.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, the fact that cheques were dispatched by the Government to the DC, Kisumu does not mean that the beneficiaries have received the payment. Could the Assistant Minister confirm or deny that the actual payments have been transmitted to the beneficiaries? We know very well that the District Commissioner accounts are badly managed and money disappears into bottomless pits that are called accounts at the district level.

Mr. Marrirmoi: Mr. Speaker, Sir, sending the cheques means the funds are there. If they have any problem, the hon. Member should come back to us and we shall ensure that they are paid.

Mr. Speaker: Next Question.

Question No.525

PROFICIENCY TRAINING/
EXAMINATION OF TEACHERS

Mr. Ochilo-Ayacko asked the Minister for Education:-

- (a) what became of the proficiency training and examination that the Teachers Service Commission (TSC) and the Ministry subjected teachers to in 1998 for which they paid; and,
 (b) when the results of will be released and promotion given to successful teachers.

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

(a) The Proficiency Training and Examination, officially called the Teachers Promotion Course and Teachers Promotion Course Examination, respectively, were undertaken in April, 1998, and subsequently, duly processed.

However, the results could not be released and the promotions effected, in isolation of several categories of teachers promotion cases that were already pending and that the total amount of money involved was colossal. The Ministry is now requisitioning funds from the Treasury, with a view to effecting all the pending teachers' promotions.

(b) I am pleased to inform the House that the results of the Promotion Course Examination will be released shortly after November 2000, and the promotions process will be effected by the next financial year.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, it is the right of every person who pays for an examination to be examined and the examination results released in good time. Why did it take the Government two years, since 1998, to release the examination results for the teachers?

Dr. Wamukoya: Mr. Speaker, Sir, two years could as well be good time. Yesterday, I explained that these results and promotions were put on hold because there was a head count to be done to rationalise the total number of teachers and their requirements, and also to fit them into the MTF. This has been completed. That is why I am saying that now, the promotions can now be processed.

Mr. Muchiri: Mr. Speaker, Sir, the teachers did the examination in 1998 and passed while others failed. Will the promotions be backdated for those who passed, with effect from the date of that examination?

Dr. Wamukoya: Mr. Speaker, Sir, promotions are backdated and they cover very many years backwards. So, that will be done.

Mr. Munyasia: Mr. Speaker, Sir, these promotions are supposed to be under regular reviews. When is the next promotional examination for the teachers?

Dr. Wamukoya: Mr. Speaker, Sir, now that everything has been rationalized, the next TTC examinations will be regular.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, it is feared in certain quarters that the delay in releasing the results was designed to manipulate the results. Could the Assistant Minister assure this House that when the results come out, they will objectively reflect the performance of each person who pursued them?

Dr. Wamukoya: Mr. Speaker, Sir, I think the question of manipulation does not arise. The hon. Member should trust that I am going to do everything according to regulations.

Mr. Munyasia: On a point of order, Mr. Speaker, Sir. Are you satisfied that the answer to my question - as to when the next promotional examinations will be held - is satisfactory? I asked this Assistant Minister what I think is a legitimate question: What is the date?

Dr. Wamukoya: Mr. Speaker, Sir, the regularity of April 1998 follows that it will be in April, 2001.

Mr. Speaker: Next Question!

Question No.432

DECENTRALIZATION OF TSC OPERATIONS

Mr. Speaker: Mr. Kariuki not in? Next Question!

Question No.481

TERMINAL BENEFITS FOR KCC WORKERS

Mr. Speaker: Mr. Wamunyinyi is not in? Next Question!

Question No.313

TRANSFER OF MR. GICHURU'S LAND

Mr. Speaker: Eng. Toro is not in? Next Question!

Question No.625

LATF ALLOCATIONS TO MTITO ANDEI COUNCIL

Mr. Mboko asked the Minister for Local Government:-

(a) how much money was allocated to Mito Andei Town Council from the Local Authority Transfer Fund (LATF) during the 1999/2000 Financial Year; and,

(b) how this fund was utilized.

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

A total sum of Kshs2,065,679 was allocated to Mito Andei Town Council from Local Authority Transfer Fund during the year 1999/2000 Financial Year. The funds allocated were utilised in financing the following activities:-

| | | |
|--|-------|------------------|
| Construction of Fields and Mito Bus Park | - | 173,000 |
| Fencing the Market | - | 73,850 |
| Construction of Slaughter Slab | - | 299,093 |
| Grading of Roads | - | 237,720 |
| Improvement of Dejeni Public Toilet | - | 8,000 |
| Motor Vehicle Repairs - | 7,000 | |
| Office Renovations | - | 28,720 |
| Payment of Staff Salaries | - | 155,705 |
| Financing Other Services | - | <u>334,771</u> |
| Total | | <u>2,065,679</u> |

Mr. Mboko: Mr. Speaker, Sir, while I commend the Assistant Minister for giving this answer, I dispute the amount which was given as LATF money to Mtito Andei Town Council, which was Kshs4,558,439. As per the breakdown he has read out, nothing of the sort has been done. What action is the Ministry going to take to ensure that the council utilizes the money as shown in the reply of the Assistant Minister?

Mr. Hashim: Mr. Speaker, Sir, following the allegation over misappropriation of the funds, the Ministry appointed two officers from 19th July, 2000 to undertake an extraordinary audit and inspection of books of accounts of the Town Council. In the report that has been approved by the Minister for implementation, the auditor observed that Kshs160,000 out of the total amount of Kshs237,720 was spent on grading of roads through fictitious receipts; Kshs331,000 out of a total of Kshs700,000 that was spent on motor vehicle repair was also incurred through fictitious receipts and Kshs54,000 spent on travelling and accommodation by the Acting Clerk in the Council - an unauthorised seminar in Nairobi.

The Ministry has suspended the Town Clerk as one of the disciplinary measures taken.

Mr. Muturi: Mr. Speaker, Sir, is the Assistant Minister satisfied that mere suspension of the Clerk to the Council over allegations of misappropriation is sufficient disciplinary action? If not, what action is the Ministry taking to recover the money which was misappropriated by the said Clerk?

Mr. Hashim: Mr. Speaker, Sir, the Ministry has taken a further action by surcharging Town Clerk Kshs545,075 which he misappropriated.

Mr. Mboko: Mr. Speaker, Sir, now that the Assistant Minister has agreed that there was embezzlement of funds and considering that due to mismanagement, the councillors have been stopped from holding council meetings, could he order that the councillors be allowed to hold meetings in order to deliberate on council affairs?

Mr. Hashim: Mr. Speaker, Sir, I have clearly stated that the Ministry took disciplinary action against the Town Clerk, but we have not slapped a ban on council meetings.

Question No.429

DISPOSAL OF CASES AT NYANDO
MAGISTRATE'S COURT

Mr. Otita asked the Attorney-General:-

- (a) whether he is aware that there is only one Magistrate's Court in Nyando and that as a result, many cases are pending; and,
(b) when the Government will deploy more magistrates at Ahero to hasten disposal of court cases in the district.

Mr. Speaker: The Attorney-General is not here? We will leave that Question up to the end. Next Question, Mr. Anyona, for the second time!

Question No.523

REVENUE FROM LOITOKTOK
BORDER CONTROL POST

Mr. Anyona asked the Minister for Finance:-

- (a) if he is aware that Tender W.P. Item No.D07 RV/KJO 702 Job No.0800A for the Loitokitok Border Control Post, initially estimated at Kshs300 million, which commenced in October, 1994 and was scheduled for completion in October, 1997 was not yet completed by March, 1999;
(b) if he is further aware that the tender was varied from Kshs300 million to Kshs377,225,870 and awarded by quotation to the fourth lowest bidder, M/s Donwoods, at Kshs419,481,812;
(c) under what circumstances further variations of Kshs114,475,286 were made, bringing the total contract sum to Kshs603,678,899 by April, contrary to Clause 13 of the Contract Agreement (1970 Edition); and,
(d) what the current value of revenue collection is from the Kenya Revenue Authority in Loitokitok Border Control Post to warrant the citing of a project of this expenditure and magnitude.

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

(a) I am aware that Job No.0800A for Loitokitok Border Control Post had a preliminary estimate of Kshs300 million. I am also aware that the work begun in October, 1994 and is now complete except for the sinking of a functional borehole which has been hindered by geological complication of the site.

(b) I am not aware that the tender was varied from Kshs300 million to Kshs377,225,870 as the former figure

was only a preliminary estimate and had to be revised when all the geological reports of the site had been received. I am aware that the tender was awarded to the fourth lowest bidder, M/s Donwoods at Kshs419,481,812. M/s Donwoods was granted the tender because all the other three tenderers had quoted below the project estimates. Past experience had shown that tenderers who quote below the estimated figure usually end up coming for revision of rates soon, thereby slowing the project progress.

(c) The variations up to Kshs114,475,286 were made to cover various needs which arose in the course of implementing the project which include the following:-

- (i) Fluctuations as covered in Clause 30 of the Contract Agreement.
- (ii) Additional funds for external works for landscaping to make the site operational.
- (iii) The Ministry of Finance asked for funds to furnish the staff houses in the project.
- (iv) Funds for re-measured provisional builders works.
- (v) Additional funds for civil works due to increased scope of excavation works.
- (vi) Building of the perimeter wall to protect the buildings from flood water.
- (vii) Fluctuations due to increased costs of labour and materials
- (viii) Additional requirements for additional lighting along the border.

These variations were not contrary to Clause 13 of the Contract Agreement. They were authorised by the Central Tender Board after due consideration of the need for such variation.

(d) The cumulative revenue collected at Loitokitok Border Post in the last nine months was Kshs2,960,424.50. The border post was constructed to serve both current and the future needs.

Mr. Anyona: Mr. Speaker, Sir, this answer is riddled with confusion. The Assistant Minister has talked about a preliminary figure in the contract. What does he mean by that? He also says in part (b) that the tender was awarded to the fourth lowest tenderer because all the others quoted below the project estimates. I thought the criteria was that tenderers should meet the stipulated requirements. Could he explain what he means exactly by that statement?

Mr. Arap-Kirui: Mr. Speaker, Sir, what I mean by "preliminary" is the study of the scope of the works which include assessment of the terrain and other items. The other issue which I mentioned is that there are some people who quote very low to make sure that they are awarded the tender. Immediately, thereafter, they raise all sorts of arguments to warrant a variations.

So, in this instance, it was assessed that the fourth tenderer was the most reasonable and on that basis, he was awarded the contract.

Mr. Raila: Mr. Speaker, Sir, I recently went through the Isebania Border Post; I have also been to Busia, Malaba and Lunga Lunga. There is no much difference in terms of the quantities involved in the construction of a border post.

For the information of the Assistant Minister, Lonrho House was sold at Kshs600 million. Is he satisfied that a border post at Loitokitok would be worth Kshs600 million? This is one of those clear cases of embezzlement of public funds by public officers.

Mr. Arap-Kirui: Mr. Speaker, Sir, I should commend the hon. Member for his wide travelling experience. But when we come to this issue, we have got to take into consideration the particular terrain. Loitokitok is right at the foot of Mt. Kilimanjaro. Here we are talking about 12 blocks of six flats each, ten upland type B houses; four type B houses; four two-roomed houses; warehouses, administration offices, police canteen, police office block, staff toilets, nursery school classes, inspection pits, pit latrines, generator house and several other structures. All those taken into consideration, the figure is reasonable.

Mr. Muturi: Mr. Speaker, Sir, we are talking of a variation of over Kshs100 million for the construction of a mere border post. Is the Assistant Minister satisfied that this is not a clear embezzlement of Government funds by civil servants in his Ministry?

Mr. Arap-Kirui: Mr. Speaker, Sir, that is a repeat of an earlier supplementary question whose answer I have provided. However, I am satisfied that the cost is reasonable. All the variations went through normal Government procedures. The level of sophistication of this Border Post might be questioned, but according to us, the costs are reasonable.

Mr. Kihoro: On a point of order, Mr. Speaker, Sir. The Assistant Minister gave a long list of the work that has been done. However, he did not mention whether the road from Loitokitok to the Mombasa-Nairobi Highway (Road A109) has been done. If you build such a beautiful border post and fail to do the road, it will become a white elephant. Can the Minister explain whether this Road A109 has been done?

Mr. Speaker: Order, Mr. Kihoro! You are totally out of order!

Mr. Keriri: Mr. Speaker, Sir, the Assistant Minister has informed this House that the tender was awarded to the fourth lowest bidder because the other three had quoted below the project estimates; and that they were looking for

a way of getting the tender and then come back later for variations. That statement does not hold any water because even the one who won the tender still came back for tender variation.

Mr. Speaker, Sir, could he tell us whether they have been able to reassess the cost of that project?

Mr. Arap-Kirui: Mr. Speaker, Sir, it was our belief and fervent hope that this tenderer would not come back. But as it is, he came back, not because of any failures on his part. As I have explained, he came back mainly because there were various items and several other issues that necessitated the variation. One other reason was also the delay in making payments by Government. This, unfortunately, caused the delay in the completion of the contract. This is part of the explanation for the delay from October, 1994 to March, 1999. Because of this, it became inevitable that a variation order had to be granted.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Considering that the amount of money being spent here is almost a billion - in fact, Kshs600 million to be exact - while our national revenue is Kshs2 million a year, does it not mean that it will take 300 years to realise this project? Is the Assistant Minister not misleading this House that there has been any logical thinking on the completion of this project?

Mr. Speaker: Forget about that as a point of order!

Next Question! For the second time, hon. Kariuki's Question!

Question No.432

DECENTRALISATION OF TSC OPERATIONS

Mr. Speaker: Mr. Kariuki is still not here? Question dropped!

(Question dropped)

Mr. Speaker: Mr. Wamunyinyi's Question for the second time!

Dr. Wekesa: Mr. Speaker, Sir, Mr. Wamunyinyi is held up somewhere and he did ask me to ask Question No.481 on his behalf.

Mr. Speaker: Where were you initially?

Dr. Wekesa: Mr. Speaker, Sir, I also came in late, and on his behalf, I apologize for coming late.

Mr. Speaker: Well, I hope you have instructions. Were you instructed?

Dr. Wekesa: Yes, Mr. Speaker, Sir.

Mr. Speaker: Very well.

Question No.481

TERMINAL BENEFITS FOR KCC WORKERS

Dr. Wekesa, on behalf of **Mr. Wamunyinyi,** asked the Minister for Agriculture:-

(a) whether he is aware that all employees of Kenya Co-operative Creameries, Bungoma Depot, had their employment terminated without payment of terminal benefits; and,

(b) what plans does he have to ensure that these people are paid their dues.

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

(a) I am aware.

(b) The company was put under receivership on 5th August, 1999, as a result of a debenture given to the Kenya Commercial Bank (KCB). Under the terms of receivership, the workers' terminal benefits are treated as unsecured claims against the company.

It is hoped that the company position in terms of debt collection and operations will improve so as to allow the employees to be paid their dues along with other creditors.

Dr. Wekesa: Mr. Speaker, Sir, when does the Minister foresee this happening; when will the people be paid?

Mr. J.D. Lotodo: Mr. Speaker, Sir, as soon as the money is received, we are going to pay the employees.

Mr. Kombo: On a point of order, Mr. Speaker, Sir. The Question was asking specifically "when". The answers being given that, "when money is available," or as soon as money is found---" I do not think those are fair answers!

Mr. Speaker: Mr. Muskari Kombo, as you realise, the KCC Depot is under receivership. Mr. Minister, could you be able to know that?

Mr. J.D. Lotodo: Mr. Speaker, Sir, as I stated earlier, at the time the KCC was placed under receivership on 6th August, 1999, it had staff salary arrears amounting to Kshs78,336,135.20, while other deductions which had been made but not remitted, such as NHIF, NSSF, PAYE, Maziwa Co-operative Society, mortgages dues, *et cetera*, amounted to Kshs266,419,979.30. The total indebtedness of the organisation was Kshs4,570,063,961.70. So, it was very difficult at this time to determine when these people will be paid their dues.

Eng. Toro: Could the Assistant Minister confirm or deny that, over the years, the Government has put in place a machinery to destabilise the KCC and deny farmers the organisation so that in the process of receivership, the Government can be able to sell the KCC to foreigners? At the end of the day, some politically well-connected people in this country will own the KCC instead of the farmers.

Mr. J.D. Lotodo: Mr. Speaker, Sir, I am not aware of that, and that is the wishful thinking of the hon. Member.

Mr. Kibicho: Mr. Speaker, Sir, it appears as if the KCC will not be saved by the receivers. Would it not be wise for the Government to call off the receivership and allow individual farmers in their individual areas to buy their respective factories?

Mr. J.D. Lotodo: Mr. Speaker, Sir, I think because this company is under receivership, the Government might not help.

Mr. Speaker: Very well. Question No.313 by hon. Eng. Toro is deferred to next week.

Question No.313

TRANSFER OF MR. GICHURU'S LAND

(Question deferred)

Mr. Speaker: Last Question, Mr. Otita, for the second time!

Question No.429

DISPOSAL OF CASES AT NYANDO
MAGISTRATE'S COURT

Mr. Otita asked the Attorney-General:-

- (a) whether he is aware that there is only one Magistrate Court in Nyando and as a result, many cases are pending; and,
- (b) when the Government will deploy more magistrates at Ahero to hasten the disposal of cases in the district.

The Attorney-General (Mr. Wako): Mr. Speaker, Sir, I wish to apologize for not having been in the House when the Question was asked for the first time.

I beg to reply.

(a) The Attorney-General is aware that there is only one Magistrate's Court in Nyando, which is served by a resident magistrate. I am, however, not aware of any serious backlogs as the magistrate is coping favourably with the caseload in the area.

(b) The Government is not in a position at the moment to post an additional magistrate at Ahero due to the caseloads and also the non-availability of such facilities as court rooms and chambers. The situation will, obviously, be reviewed from time to time in future.

Mr. Otita: Mr. Speaker, Sir, this Question has been very unsatisfactorily answered. Nyando Sub-District Court was established a long time before I was born. Secondly, Nyando had two magistrates in 1970. The court could serve Nyakach Constituency, Nyando Constituency, as well as Muhoroni Constituency in 1970, with two magistrates. In 1980, one magistrate court was removed just to leave only one magistrate court to serve the people. At the moment, we have houses which were being used by previous magistrates. At the same time--

Mr. Speaker: Order! Mr. Otita, have you ever looked at Standing Orders relating to Questions? You are now making it a pretence for a debate! Would you, please, put the various questions to him?

Mr. Otita: Mr. Speaker, Sir, the question is: The population has increased and we have so many criminals. At the moment, I have a case which was filed there in 1999 and has not been heard up to today. Therefore, we have a big backlog of cases. Could the Attorney-General see to it that, we have another magistrate so that the court cases are

disposed of quickly and according to the wishes of the people?

Mr. Wako: Mr. Speaker, Sir, it may very well be that the additional magistrate was removed because the caseload did not justify an additional magistrate. It may also very well be that a number of residents in the area are filing their cases in Kisumu which is close by. The fact of the matter is that at the moment, the caseload does not justify an additional magistrate.

Munyasia: On a point of order, Mr. Speaker, Sir. The Attorney-General in an earlier answer said there was no courtroom and he now admits that there had been two magistrates earlier and one was removed, therefore meaning that there is a courtroom. Could he apologise to the House for having misled us in the first answer that there was no courtroom?

Mr. Wako: Mr. Speaker, Sir, the HANSARD Report will bear me out. I said: "There may very well have been." In other words, I was proceeding on the basis that what he may be saying is the truth and even if you proceed on that basis, there is no justification for an additional court.

Mr. Otula: Mr. Deputy Speaker, Sir, could the Attorney-General tell this House the actual estimates of facilities that are required for the second magistrate to be at Ahero and whether the salary cannot be paid by this particular Government?

Mr. Wako: Mr. Deputy Speaker, Sir, what I am saying is this: That to post an additional magistrate, first and foremost, requires that the caseload in the area justifies an additional magistrate. At the moment, with the caseload that we have, the cases that have been filed there over the years, there is no justification at the moment to have an additional magistrate. If the caseload justifies that, it is a matter that can be reviewed from time to time.

Mr. Muchiri: Mr. Deputy Speaker, Sir, the court prosecutors who serve in the subordinate courts are police officers and they are deemed to be under the Office of the Attorney-General.

Can the Attorney-General consider removing the police prosecutors and station state counsels in subordinate courts, taking into consideration that we have a lot of lawyers who are jobless in this country?

Mr. Wako: Mr. Deputy Speaker, Sir, I thank the hon. Member for that question. I know that he once used to be under me as a court prosecutor. I missed him as a court prosecutor. The question that he has posed is part of the long-term plans for the Attorney-General's office, but ultimately we must have professional people undertaking prosecutions in courts.

Mr. Kajwang: Mr. Deputy Speaker, Sir, could the Attorney-General indicate the criteria used in opening courts in various parts of this country? This is because as we are talking, in Suba District which happens to be at the border of Uganda and with several islands inside the lake, people have to travel all the way to Homa Bay which is very far and since we have bad roads, you cannot even follow your relatives who have gone to Homa Bay. Does the Attorney-General have any idea when a court will be established at Mbita or what criteria does he use?

Mr. Wako: Mr. Deputy Speaker, Sir, that is a different question. If he took the example of hon. Otita and asked me a specific question on Mbita, I will be able to reply to it.

Mr. Kajwang: On a point of order, Mr. Speaker, Sir. The question is: What criteria does the Attorney-General use in setting up courts in various parts of this country?

Mr. Wako: Mr. Speaker, Sir, it is not the criteria the Attorney-General uses. It is the criteria that the Judiciary uses which takes into account distance, but even more, the number of cases in any particular given area to justify an additional court being established in an area. Another issue that is also considered, is availability of funds which means that the areas that are most pressing countrywide, do get additional courts. There may very well be cases where additional courts are needed, but because there are other areas which are more pressing and because of financial constraints---

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

Mr. Speaker: Order! Mr. Gatabaki, you see, you are now being recognised by the Speaker at the tail-end of every Question. You rise on a point of order just to ask a question. You see, Mr. Speaker may not be very pleased.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. When the Attorney-General answered part "b" of the Question, he said the facilities will be added as and when funds become available. Allow me to put this straight. Is the Attorney-General not misleading this House that funds are not available, considering the fact that I am a visitor to these courts and Kibera Courts in particular, is overcrowded and the amount of money the Government receives every year is enormous? Is the Attorney-General not misleading the House that there are no funds available when Kenyans are overtaxed and pay enormous amounts to these courts?

Mr. Speaker: Mr. Gatabaki, that is a very good supplementary question. You should have caught my eye.

Mr. Muturi: Mr. Speaker, Sir, in part "b" of the Question, the Attorney-General says that the magistrate at Nyando is coping very well with the case loads and that the current caseload level does not justify the granting of a second magistrate. Could he explain to this House what are the caseloads that a particular magistrate is supposed to

handle in a month so as to justify the addition of an extra magistrate?

Mr. Wako: Mr. Speaker, Sir, I may not say in a month, but I can say that in a year, a magistrate's court is supposed to handle between 1,000 and 1,500 cases.

Mr. Speaker: Next Order!

BILL

Second Reading

THE FINANCE BILL

(The Minister for Finance on 31.10.2000)

(Resumption of Debate interrupted on 31.10.2000)

Mr. Speaker: Ms. Karua was on the Floor contributing. She has 20 minutes to her credit, but she is not present and, therefore, Mr. Mbela will take her time.

Mr. Mbela: Mr. Speaker, Sir, thank you, for giving me a chance to contribute to this Bill. I would like to support the Finance Bill with certain amendments. First, when the Minister moved the Budget Speech in June this year, he told us about the Petroleum Bill which was in the process of being drafted. The Bill was to regulate the oil industry and make a comprehensive review of Cap.116. It was to have the Office of the Commissioner of Petroleum and we even expected during the debate, to be able to review institutions like the Makupa Oil Refinery. Unfortunately, I see the Minister is in a hurry to introduce piecemeal amendments through the Finance Bill, matters which are not necessarily financial. This, I see as being connected to the cartel that is operating with multinational companies. As you know and yesterday we talked quite generously about it, the cartel has been operating in the last six years and everytime, they are increasing the oil prices. Recently, instead of increasing the oil prices by Kshs1.96, they increased by as much as Kshs5 or more. However, the point about the oil industry is: The eight foreign companies are all determined to make sure that none of the African operators succeeds and these clauses which are in the Finance Bill increasing the penalties, that is Clauses Nos.64, 65, 66, 67, 68 and 69 are all aimed at ensuring that the African businessman does not succeed.

Mr. Speaker, Sir, if we will make a comprehensive review of the Petroleum Bill, what is the urgency of introducing penalties at this particular time, instead of waiting until we have studied the Petroleum (Amendment) Bill which has already been sent for printing? Therefore, I am strongly recommending that we do not approve Clauses 64 to 69 because of those reasons I have given. It is very unfortunate that in our own country we should be trying to entrench the foreign companies while undermining our own African brothers. We are forgetting that, if these multinational companies make profit, at the very next opportunity, the money is transferred to some foreign capital and we are left with big debts. That money is transferred in foreign exchange. I think we have a responsibility to assist these poor Africans who are trying to make a start instead of undermining them. The other issue is on the bouncing cheques. Banks are no longer doing banking business. They have become shylocks. They are so customer unfriendly. It is a pity for us to be trying to make life easier for them at a time when they are trying to harass everybody. I do not want to go into great details of that particular one, but that clause which tries to criminalise those who issue bouncing cheques is too harsh. Although it is wrong to issue a bouncing cheque, I think it is would be a mistake to make it a criminal offence.

Mr. Speaker, Sir, the other aspect of the Finance Bill which I think is unfortunate is the VAT. The VAT that we are operating now, has many loopholes. These loopholes make it possible for traders to cheat. In fact, I will be very surprised if there has been an increase on revenue collection over and above whatever used to be realised when the rate was 15 per cent. I think there is a case for the VAT to be reduced from 18 to 15 per cent.

Mr. Speaker, Sir, the major clause I want to contribute on regards the ability of the Ministry of Roads and Public Works to release money for District Roads Committee so that work can be done at the constituency level. I chair the Energy, Communications and Public Works Committee. We had a session with the Minister and we were made to believe that there are still some loopholes which we expect to be corrected, maybe, by inserting a Clause 136, so that the collection of the Fuel Levy, once made by the KRA, is transmitted directly to the Kenya Roads Board (KRB). It is hoped that the KRB will be able to release the money immediately. Whatever problems there could be, we are still reminding the Minister that the money should not be released to the District Commissioner or the District Treasuries which have endless holes. We came to the situation of enacting KRB because the money was grossly

mismanaged. There were gross imbalances in the manner in which road projects were being implemented and there was a lot of corruption.

Mr. Speaker, Sir, through my Committee we have been able to come across cases of gross abuse and great recklessness. For example, we have one record case where 200 metres of tarmac cost Kshs200 million. That meant that each metre of tarmac in that particular case cost Kshs1 million. It is very important that the Minister keeps a close watch on the way the contractors get their specifications and ensure that there are no shoddy jobs done. But whatever happens, we would like the money to be released to the DRC immediately. I would also like to plead with the Minister to continue to brief those above him so that hon. Members are not vilified for "eating" money that has not been released from the Ministry. There was a statement recently when it was alleged that hon. Members were getting Kshs5,000 every time they meet. It is very important for the House to know that no money has been released yet. So, there is no way an hon. Member would have "eaten" that money since it has not been released. In any case, those allowances do not amount to that level. I see that as a problem because of lack of briefing. This is something that Cabinet Ministers should be able to do regularly.

Finally, Mr. Speaker, Sir, I come to the issue of generators which were authorised to be bought duty-free. Trying to get electricity through generators is a very poor way of managing resources. First of all, for those generators to operate, you need to buy fuel using your foreign exchange. For your information, for the short time that those generators have been operating, there has been a very substantial increase in the foreign exchange bills that this country can expect to pay. For example, the diesel generators now are consuming over and above what they normally consume. They are consuming 73,000 cubic litres of diesel per month. This is a 31.1 per cent increase in our foreign exchange bill. If they will cost us that much, it is very unfair to expect that Kenyan taxpayers will still give exemptions for these generators to continue to be bought duty-free. Even the free fuel we are talking about should not be allowed. If anybody is imposing an unnecessary burden the taxpayer, he should be taxed heavily. I hope this is a mistake that we shall not be repeating.

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

Mr. Muite: Mr. Speaker, Sir, taxation is a very important issue in any country because it affects the people of the country and the Government. So, very careful thought needs to go into the issue of taxation. One is left with the nagging suspicion that very often the National Assembly here is like a rubber stamp as far as the issue of taxation is concerned. This is because we are brought a Bill here to enact into law. But the question arises: How effective are we, as a House, in making an input in the measures that the Government of the day is proposing for taxation? What I have in mind is that, perhaps time has come for us to re-examine our Standing Orders in order to make this House effective in having an input in taxation measures. When you compare other jurisdictions like India, for example, you find that you have a situation where Parliament is involved in the formulation of the Budget and taxation measures. It is involved in terms of a committee that sits down with the Government of the day and goes through the taxation measures that the Government is proposing. In that way, the House is able to be effective. Here, they do what they want to do without involving the House at the level at which it should be involved. The relevant Departmental Committee should be involved in the formulation of taxation measures.

In fact, in India, even before any budget can be passed, the Committee that is concerned with raising taxation audits the performance of the Government in the previous year. Each year, the Committee goes through the funding that was given to a particular Ministry in the previous year and checks how that money was spent before they can authorise a cent to them.

Mr. Speaker, Sir, we would like to see this sort of situation in this country when we have the Public Accounts Committee (PAC). The PAC is exactly like a pathologist who tells you why the patient has died. But he cannot stop the patient from dying because he is carrying out the examination when the patient has died. We want to reverse this situation by having a committee that is like a physician that is going to prevent the patient from dying. We want to stop the money from going where it should not go and ensure that our money is going where it should go. That is the only way in which this House can become effective.

Mr. Speaker, Sir, if this House had been involved at the formulation stage; there are certain measures that one would have been able to propose. For example, on the issue of petroleum, we know that the oil producing countries have put up their prices in order to increase their income, particularly in the Middle East. Cartels like the OPEC have put up the cost of crude oil in order to maximise their profits. But when that happens, what measures is this Government taking to cushion the Kenyan consumers against that increment in price? They are controlling production themselves in order to increase their income. When you examine the local situation, no measure has been taken by this Government to respond to that increment in the prices of crude oil in order to protect, first, the Kenyan consumers and secondly, the local industry. No measures have been taken. One would have expected that because of the escalation in the prices of crude oil, this Government would see it fit to take appropriate measures to cushion the Kenyan public. When the cost of petrol goes up, the cost of everything else goes up. The cost of travelling by matatus and buses goes

up, so does the cost of manufacturing. The cost of transportation of goods goes up too. So, an increment in the price of petrol is an increment in the cost of living because it results in an increment in practically everything else.

I have only done the calculation about the super petrol and it shows that when you put Kshs1,000 worth of super petrol in your car, approximately Kshs660 goes to the Government as tax. If there was no tax on petrol, the super petrol you are buying at Kshs1,000 would be costing just over Kshs300. This is the tax that the Government is raising. The question is this: Is this very high taxation on petrol justifiable when the price of crude oil is also going up? Is it not time that the sort of measures that I am advocating were enforced? The prices of crude oil have gone up because the Government is collecting over Kshs660 out of every Kshs1,000 of super petrol. Can the Government for a time not do with less collection? It should lower the tax so that instead of collecting Kshs660 out of Kshs1,000 worth of petrol, it will collect, at least, Kshs400 and pass on the benefit to the consumer. What are we going to do? Where are the measures that take into account the fact that we are an agricultural country?

As we talk here, Mr. Speaker, Sir, the prices of electricity are set to go up by over 100 per cent. Let us ask ourselves: How is that going to affect the cost of irrigation in this country because it is electric power that is used to irrigate coffee, horticultural and floricultural crops? When we increase the cost of electric power by over 100 per cent, you will be paying over Kshs2 million if you have got a shamba of about 200 acres and you want to irrigate your coffee. Your coffee will become totally uncompetitive because nobody is going to irrigate his coffee, floricultural or horticultural crops. Horticulture has been doing very well as a foreign exchange earner. These are the positive measures that one expects this Government to implement. But what do we see? It is a situation where the Government only responds to manufacturers. It is the manufacturers that constitute a lobby. They lobby this Government to remove taxation on the generators which they are going to import. They also ask the Government to remove duty on the fuel that those generators are going to use. However, there is not a word about agriculture and yet, we are an agricultural country.

I am saying that if this Government is serious about poverty eradication, they should, for example, ask the KPLC to come up with a special rate of taxation cost as far as irrigation is concerned in respect of tea because the factories run on electricity. The meters that are used at the factory level should be given a special charge so that the processing of tea can continue at competitive prices. The cost of electricity for those who are using electricity to irrigate horticultural crops should be charged at a special rate. This is why we need to encourage people by reducing the cost of irrigating coffee and other horticultural crops. These are the measures that this Government should be coming up with. But instead of that, they are just looking after the interests of the industry and not agriculture. Industry is a very small employer in terms of the overall economy of this country.

In fact, to make matters worse, every year, we plead with the Ministry of Finance to remove the Presumptive Tax on tea and coffee at a time when we are talking about poverty eradication. Sugar cane is also charged Presumptive Tax. What seriousness do we have when we talk about poverty eradication and we retain the Presumptive Tax on sugar, tea and coffee? If the Minister is serious, we want to see him bringing an amendment now in order to remove the Presumptive Tax. He will be sending a signal that he is serious in his commitment to poverty eradication.

Mr. Speaker, Sir, we debated the new approach to the management of the Fuel Levy Fund in this House. We even attended a seminar at Safari Park which was very well attended by Members of Parliament. We passed it into law. It is the law that says that Members of Parliament should be involved at the district and constituency level. Speaking for myself, I want to say that this is a very good example of the way forward. We need a participatory approach in the management of our economy and affairs by involving the grassroots. That is very important. We have got to teach our own people the sense of assuming responsibility in the management of the economy, for their own destiny, so that they stop looking up to hon. Members, the DC and others, to save them from whatever situation they find themselves in. We want that participatory approach because it is very important so that the people at the grassroots are involved. They know how much money there is and you place on their shoulders the responsibility of managing that money. When we sit here and go to Safari Park and come up with a new participatory approach in the management of the Fuel Levy, it is very distressing to then hear somebody going to public meetings and saying that Members of Parliament should not be involved.

The views of this House must be respected at all times. If there are changes to be made on the part of the Government, it should come and amend that law here, but should not go and denigrate Members of Parliament at public rallies. It is the law which says that Members of Parliament should be involved, together with the people they represent here, in the management of the Road Maintenance Levy Fund money. That is an effort that some of us would like to see duplicated in respect of everything else.

Mr. Speaker, Sir, some of us are looking forward to the day when we will have a new constitutional order in place, so that we can have a restructured system of local authorities. Some of us are looking forward to the day when sub-chiefs, who are appointees of one individual, will only be representatives of the central Government at the grassroots level. We are looking forward to the day when we can have a restructured system of local authorities, where

sub-locations and locations will have elected councils, so that sub-chiefs and chiefs will only be agents of the central Government at those levels.

In this arrangement, the affairs of sub-locations and locations will be in the hands of councils to be elected by the grassroots people. At the constituency level, we are looking forward to the day when we shall have an elected council, managing the affairs of the constituents. Let District Officers (DOs) be representatives of central Government; we should get another name for DOs. Once we have authorities elected by the grassroots people, we should then come up with a fair system of allocating the resources we collect to the grassroots. Let us give each constituency its own budget - and not just money for roads. Let us give them money for them to administer for their needs at that local level.

There is also the question of people being answerable. Honourable Members are answerable to the people who elected them to this House, and if one misappropriates the AIDS money allocated to each constituency, his constituency will throw him out in the next general election once they realise that he did so. However, DOs and District Commissioners (DCs) are not elected by anybody. As such, they are not answerable to anybody. There have been many complaints against DCs and DOs. For example, DCs are the accounting officers at the district level, and when one pays cash and obtain receipts from the Judiciary in respect of cash bail, that money is taken to the DC's office. I can see my former Provincial Commissioner (PC), hon. Haji, looking at me; he knows that what I am saying is true.

Mr. Speaker, Sir, because DCs are the accounting officers at the district level, such monies are paid into the District Treasuries. When the court, ultimately, releases such a person six months or one year later, the Judiciary tells him to claim his money from the DC's office. However, he does not get back his money from the DC. If you happen to have been in court in Nyahururu, you will make several trips to the DC's Office, Nyahururu, and everyday you will be told that there is no money until you give up. Many Kenyans have lost their bail money that way. So, we want to re-arrange all this, because it is not right. That is why we must support the participation by Kenyans at the grassroots, not just in the issue of AIDS and roads, but in everything else.

Finally, the whole point about taxation policy at any time of a country's history is to re-activate or sustain economic growth; that is what should be nurtured. At a time when we truly have an economy that has ground to a halt, the idea here should be truly to come up with policies that will get the economy growing again. I would like to say the following, at the risk of repeating myself, because I have made this point time and again: Only focusing on economic reforms and Civil Service retrenchment will not result in this country economic resuscitation. Economic growth, ultimately, depends on the people's confidence in their own country, Government and affairs. The name of the game for economic growth is "confidence". Given the state of polarisation that we are in, we are not going to have confidence in this country. The economy will not recover no matter what the Government does, unless economic and Civil Service reforms are preceded or accompanied by a constitutional and political settlement, and thus enjoying the support of a majority of Kenyans. That is the key to the issue of economic resuscitation. Without doing that, the Government can carry out whatever reforms it wishes to, but the economy will not recover.

That is why we are saying that, unless that is done, we, as a Parliament, have a duty to protect the Kenya public, which, at the moment, is the body that is shouldering the burden of everything that has gone wrong with this country in terms of economic mismanagement. Because the Government is not responsible, we are saying that we must step in. Instead of just focusing on the interests of the multinationals and foreigners, let us give priority to our own people.

Mr. Speaker, Sir, I would urge the Ministers for Finance and Energy to truly have consultations in good time with the multinational oil companies, because, if they continue taking advantage of the increment of crude oil prices to fleece Kenyans, they will be next after the bankers in facing the laws of this country by having price controls reinstated; we will bring a Bill here that will seek to control the cost of petroleum products if multinational oil companies cannot regulate themselves properly. We will do so in order to protect the interests of our people. Even countries such as the United States of America (USA) have got a regime of laws on monopolies. In order to protect the interests of the American people, the USA does not allow the existence of monopolies. Why do we allow the existence of a monopoly of multinational oil cartels in this country? That is what the multinational oil companies are; they are a monopoly, and are fleecing our people.

So, let us think about the interests of our people. It is not that we want to control prices in the oil industry, but we do not want this Government to confuse the responsibility and duty that it has to cater for the interests of our own people above everything else. If you are told to liberalise trade, you must negotiate. Even the USA, Japan and South Africa have the most protected markets. Unless this country raises its level of production in agriculture and industry to a point where it can compete with products from other countries, we will get overrun. We cannot compete with South Africa or those other countries. We are going to be overrun.

We must, therefore, come up with policies that can protect our agricultural and industrial sectors until this country's economy grows to a level where it can compete with the economies of other countries. Even today Japan is

not an open market. There is no market in Africa which is more closed than the South African market, and yet that country is taking over business in Tanzania and in the rest of Africa. Let us wake up and know that liberalisation does not mean "free for all"; there is a difference between the terms "control" and "regulation". Any country is entitled to regulate anything in order to promote the economic nationalism and interests of her people; that is the first duty of the Government even though we are liberalising our market.

With those few words, I beg to support.

Mr. Wamae: Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this very important Bill.

The Finance Bill is supposed to give us guidance on how economic affairs will be managed, and how the Government intends to raise its revenue. Therefore, it is a very important Government policy statement. We need to ensure that the systems that we are financing are working, and working for the benefit of Kenyans. We, however, now have doubts as to whether even the Government is getting the right advice from its agencies. For instance, we already have, in the Budget, over Kshs2.6 billion for the National Security Intelligence Service (NSIS). The NSIS is supposed to advise the Government on people who want to interfere with law and order and the stability of Kenya. Therefore, we should be informed in advance before certain things happen, and the Government should be advised accordingly so that they can take certain action. But it appears as if something has gone wrong with the NSIS despite its very high cost to Kenyans. For instance, the Head of State and the Kenya Government kept on announcing that the people who stripped women in Kayole are followers of the *Mungiki* sect and were Kikuyus, but when they were taken to court, their names read "Matagaro and Musyoka." It means that they were from other tribes, and one wonders what sort of advice the NSIS gave to the Government of Kenya. I was in Karatina when the Head of State said that he knows that the act was committed by the *Mungiki* sect, but we now know after reading the names of the suspects who are in court, that they were not Kikuyus. Some have already admitted that they are from other tribes. Therefore, they could not have been *Mungiki* sect followers and, therefore, they could not be Kikuyus. Their names were in today's newspapers, and they appeared in court yesterday. So, one wonders what sort of advice the NSIS is giving to the Government.

Mr. Speaker, Sir, we want to finance services which have positive contribution to the well-being of Kenyans and, therefore, many people have now gone round condemning followers of the *Mungiki* Sect and Kikuyus for stripping women in Kayole, when they were not the ones. I feel that is serious, and it seems as if there was an intention of trying to use that occasion to suppress the Kikuyus. Maybe, it was a scheme created by the same NSIS to which we are voting so much money, so that they can get the occasion to have the Government crack down on all the Kikuyus like they did during the *Mwakenya* movement. We hope that the NSIS and the police will take that matter seriously.

We have said many times that whereas we agree that there should be reduction in Government expenditure, and some form of retrenchment in the Public Service, that should be done very carefully. There should be a system whereby everybody can understand how it is being done. It is for that reason that we said in this House, when we passed a Motion last week, that before the retrenchment exercise is carried out in the Public Service, a number of factors should be considered. I can see that my friend, the Minister of State, Office of the President, in charge of the Directorate of Personnel Management is here, and we told him that the Government should have brought a Sessional Paper to this House so that we can debate the method, or which group would be retrenched and ensure that it is carried out above board and in a transparent manner, yet nothing was done. The exercise was carried out in a secretive way and we do not even know whether there has not been favouritism. There is nothing to indicate to us that it was done above board because nobody else was around to know. If this House had been asked to give advice to the Government on retrenchment of public servants, possibly, we would have recommended that the Provincial Administration should be scrapped because I do not think it is doing much work.

We have a layer between the Permanent Secretaries, Ministries and the Provincial Administration. We have a group of officers at the provincial level - the Provincial Agricultural Officers, the Provincial Veterinary Officers, the PCs, the deputy PCs and other provincial heads. All of them are not doing any useful work. They do not come into contact with the wananchi. The officers who come in contact with the people are the district heads of departments. We meet them on a day-to-day basis. I take many years to meet officers at the provincial level. What is that layer of officers, which is very expensive, doing for the benefit of this country? Why can the district heads not deal directly with their Ministries? Maybe, within a Ministry, you divide districts into a group of 10 and appoint one Under Secretary to be in charge and to co-ordinate the activities of those districts, rather than having the Provincial Administration. It is a very expensive system, and it is not practised anywhere else.

As hon. Muite said here before, let us give more powers to the people, so that they can manage themselves. Let us improve the local authorities and give them powers; elected representatives even at the locational level where we used to have area councils who will run affairs at the local level before we come to the county councils or the districts. Let them be responsible for running the affairs of those areas, rather than having many other people who are still in the colonial set-up, and they are answerable to nobody. The chain of command is very long, and that is why they

keep on claiming: "I have instructions from above." This is because the chain of command is not easily understood.

Mr. Speaker, Sir, I would like to mention here an issue which has become very controversial. It is about the question of Constituency AIDS Control Committees. It is a matter that we debated in Mombasa, Mbagathi and in the Committees of this House and it was agreed on by everybody. Why has it been re-opened now? People are discussing it and saying that hon. Members should not be involved in the committees. We have already agreed that HIV/AIDS is an emergency and a national calamity, and if you want to mobilise the constituents, nobody who is better placed than hon. Members. There is nobody who will be more listened to and who can mobilise everybody like an hon. Member. Hon. Members have many fora in which they can operate. I do not think that a DO can replace an hon. Member. In fact, DOs are very much hated by the people. So, he or she cannot do that work. In any case, the resources have been misused in the past without the involvement of hon. Members. They have been misused by civil servants. They are the ones who have corrupted the system, and that is why we are not getting any results. Hon. Members have not been proved corrupt to the extent; that they cannot look after the funds of the Constituency AIDS Control Committees.

So, we hope that, that issue will not be re-opened because we do not see any justification. The fact that we are saying hon. Members will be chairpersons of the committees, does not mean that they will be spending the money alone. There is a committee which will be doing that work. In fact, I am not interested in signing cheques, but all I want is to ensure that the programmes agreed by the committee members are implemented using whatever money is available. The money should be allocated to churches, women and youth groups and any organisations which are able to pass the message to the people. It should, in fact, go to primary and secondary schools where we know that our young people are dying. It is not money which hon. Members will be using at the constituency level, left and right. That is why we were very critical of the Central Provincial Commissioner who stated that hon. Members wanted to use that money for financing their campaigns. That is very cheap, and I hope that it will not be repeated. I hope that, that is not the mentality of other civil servants.

But I know that the issue of having hon. Members in the District Roads Committee and Constituency AIDS Control Committees is something which all the civil servants have ganged up to fight against. This is because they want to go to the old system where they were to control everything. We must also, on our part, fight back and insist that the structure of the committees remains as we have proposed because that is the best arrangement.

There is no economic growth in this country, and insecurity is a major problem. We are having calamities like drought and lack of water and electricity. It is for this reason that we must come together, as Kenyans, and agree on a new Constitution; a new contract on how we want to be ruled. We should sit down together, and somehow sooner or later, we should see how the Ufungamano Group and the Parliamentary Constitution of Kenya Review Committee can meet and work out on a common constitutional review process. Without that, we are not going anywhere and we are not going to force a Constitution on people. It is a negotiated settlement from which everybody is going to benefit. Before we go very far, I would hope that we can go back to Safari Park or hold another forum, sit down together and retrace our steps. We can then see how we really want to move on in this question of the constitutional review. The question of beating the chest, and shouting that it will be done this way or that way, will not hold water because eventually it is a matter which all Kenyans must agree on.

Once we have agreed on the constitutional review, we can then start thinking of the economic growth because people will have confidence in Kenya and will invest. I would want to assure Kenyans that most of the investments will come from them. The investment which will help to resuscitate this economy will not be by foreign investors, it will be by Kenyans having confidence in their own country. This will be brought about by Kenyans willing to save and invest those savings to create employment and production. We cannot depend on foreigners to do this for us. Therefore, this is a matter which I think needs to be looked into with great interest.

Mr. Speaker, Sir, we are having problems in agriculture. We have problems in coffee because of low productivity. In 1992/93 Kshs5 billion was advanced by the European Community, what we call STABEX, for financing coffee rehabilitation. This money has not been utilised up to now. Recently, the Government announced that Kshs1.2 billion will be used in the installation of electricity in our coffee factories. What will happen to the other Kshs3.8 billion? Why is it not being used for coffee rehabilitation and yet this money has been lying in commercial banks like Indo Suez Bank and elsewhere? We say we do not have resources, but why has that money remained there for eight years without being put into proper use? These are some of the things which make us realise that somebody may have wished to use that money for something else and not for coffee rehabilitation. Since the donors did not give it out for other uses, the money has been kept idle and is not being utilised for the purpose it was meant. That is something which needs to be very much looked into.

With those few words, I support the Motion.

Mr. Kajwang: Thank you, Mr. Speaker, Sir, for giving me the opportunity to say something about the Finance Bill. This is one instrument which is placed in the hands of the Minister for Finance to mobilise resources from the citizens of this country for the development of the country. This is one of the most powerful instruments which any

Government has in mobilising resources and sometimes in determining the manner in which money should be allocated.

[Mr. Speaker left the Chair]

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

There is one thing which seems to happen in this country, that every citizen of this country is taxed proportionately. The citizen is taxed through VAT and Income Tax, according to one's income. These taxes are put in the hands of a Central Government. They are managed by the Executive, but the powers are given to the Minister for Finance to determine how this money will be used for the benefit of the country. Since the Central Government is so centralised, after collecting this money some parts of this country never see this money again. We only hear that so much money was realised; Kshs160 billion or Kshs180 billion was collected and of course everybody was taxed. No similar amount ever reaches some parts of this country. I am talking from experience because I come from a constituency called Mbita in a district called Suba.

I looked at the Budget, and the Estimates, but there is no provision or any allocation whatsoever for any development activity in that part of this country. Sometimes we feel very strongly that something should be done about the Constitution of this country so that money which is mobilised from all over the country is allocated equitably to the entire country. When they first started with District Development Committee (DDC) we thought that it would eventually get resource allocation equitably like every other district in this country. The reason why we do not attend DDCs more frequently these days is that you sit there, talk about projects and plan, you prioritise, but that is the furthest you go. There is no money allocation for those priorities or projects which we talk about at the DDC. These DDCs have become moribund and useless. We were happy when they were put in place because we thought every district would get some attention and equitable distribution of resources in this country. We were told that we could now go and plan at the district level and tell the Government which projects we wanted in the district. The result is that so much money is collected but some districts never see it.

I am talking about Suba District which has one road which is 43 kilometres, from a place called Homa Bay to Mbita, and that is our lifeline. That road has not been given any single cent for the last two years. All the other districts got some money for grading, patching, spot repairs, but our district did not get anything. I am giving you an example to show you that sooner or later when the constitutional review gets under way, we will insist that every part of the country gets resources equitably so that we all feel that we are part of this country. Otherwise, some of us will start feeling that we do not belong here. That is why you hear so many people say that they have been forgotten. Some people from North Eastern Province will say that they belong to Somaliland; Coast people will say they would rather have a country of their own, and Nyanza people will say they would rather even have their own Government. Hon. Nassir is always talking of *majimbo* because money is collected, but none of it goes back to the Coast Province.

Hon. ole Ntimama is crying about the Maasai in Narok and Kajiado because money is collected from national parks, but they do not see any of it. A lot of money is collected from the Lake Region and the industry there is worth billions of shillings, but none of it ever goes back to clean the beaches, give credit to the fishermen and to help them build their boats and fish in a more modern manner. That is why the European Union has put a ban on the importation of our fish. Where does this money go to?

There are some people who have been in the Office of the President and Ministry of Finance permanently. The people who make the loudest noise are the ones who actually run these departments. If you go and check on the projects which have been approved in the Estimates of this year, everyone in those Ministries, that is the Permanent Secretaries followed by the officers under them, has initiated a project in his village. There is no PS, Deputy PS or controller of anything from Suba District. How will we ever get anything from there? There is no Minister from Suba District. There is only a noisy Kajwang making noise here. Even co-operation does not help because sometimes you wonder whether the Ministers are the ones who run the affairs of the Ministry or the Permanent Secretaries. Today, we were confronted by a very ugly scene where a mere PS in the Office of the President, who is a Mzungu, sent a whole Minister of the Republic of Kenya to come and read his speech in the late hon. Magara's funeral service. You can see that the Ministers are now servants of Dr. Leakey.

The Minister of State, Office of the President (Mr. Sunkuli): On a point of order, Mr. Temporary Deputy Speaker, Sir. With due respect, the hon. Member is misleading the House. The hon. Minister went there to deliver his speech, but also had the courtesy of saying that Dr. Leakey also sent his condolences. There is nothing wrong with that!

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, this Minister was not there. Being the Minister of State,

Office of the President, we would have expected him to go there and give his speech, but not Dr. Leakey to send a Minister of the Government to come and give us a speech.

An hon. Member: Yes! He was wrong!

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Kajwang! Proceed with your contribution.

Mr. Kajwang: Thank you, Mr. Temporary Deputy Speaker, Sir. Other than coming from an area that produces fish, I also neighbour an area which grows sugar-cane. I would like to say that the sugar industry is collapsing in this country. The South Nyanza Sugar Company is collapsing. The General Manager of Muhoroni Sugar Company was here recently and he told me that he will close that factory very soon. I would like to point out that Ramisi Sugar Company collapsed a long time ago. Even Mumias Sugar Company, big as it is, has serious problems. The problems of these sugar companies are very simple: When these industries were set up, the Government borrowed some money for their establishment and growing of sugar-cane. This money was borrowed when the US dollar was exchanging at Kshs7 to the Kenyan shilling and the Sterling Pound was exchanging at Kshs20 to the Kenyan shilling. Of course, you know that the US dollar is almost exchanging at Kshs80 to the Kenya shilling now and the Sterling Pound is exchanging at Kshs120 to the Kenya shilling.

I would like to inform this House that these companies are still expected to pay that money in US dollars. Of course, they have to collect the money in Kenya shillings and then buy the US dollars in the market before they make payment abroad. In that way, even if you were a good businessman or managing director, you would not collect enough money to settle those debts in US dollars or in Sterling Pounds. What the Government should do, like it did to the Kenya Airways, is to settle the debts. Kenya Airways had a debt of over Kshs8 billion, which the Government settled. Kenya Airways can now declare some dividends and give some cheques to the Minister for Finance. Why is this so? It is because of the "burden" which was removed from it. It is not because of some miracles of some European airlines supporting us or a Mzungu running it, but it is because of the policy; that with this kind of debt, Kenya Airways cannot survive. Do not cheat us to buy South Nyanza Sugar Company or Mumias Sugar Company. We cannot buy something which is collapsing, because even if I bought it, I would not repay those loans in US dollars and Sterling Pounds. So, the Government should, first of all, take over those loans. I have talked to the managing directors of these sugar companies and they have told me that if the Government took over those loans and turned them into equity, whatever they want to call it, those companies would survive. Why do we not put some money in these companies? What these companies need is not more than kshs1 billion here or Kshs2 billion there to survive. Why do we not put that little money in them and in two years time, the sugar industry will have generated more money than Kshs8 billion?

Mr. Okello told us the other day that the Kenya Airways has now generated a lot of money to the Government than the Kshs8 billion which it took over, because they were allowed to survive. If Kenya Airways collapsed, jobs would have been lost and I think all of us would be suffering. I would like to say that many people will suffer if South Nyanza Muhoroni and Mumias Sugar Companies collapse. Why can the Minister for Finance not be practical? We need these industries for the farmer and businessman to survive. We also need these industries for sugar to be available. So, what are we doing to promote agriculture? What is the Government's policy in the sugar industry? I would like to point out that they have even gone to the Kenya Sugar Authority (KSA) to ask for some money and yet, this Authority does not have enough money to pay the farmers. What will we do?

On the energy sector, which has been liberalised, hon. Muite has talked about the multinational cartels. I had talked about this issue some time ago. We have left our energy sector, especially petroleum product in the hands of Shell/BP, Caltex and so on. Many multinational oil companies have found that Kenya is a good market for their produce. Even Elf, from France, has also come in. Mobil Oil Company, which ran away, has now come back, because it has realised that they can make a lot of money in Kenya. Why is this so? It is because Kenya has opened its doors for looters to loot as they wish.

(Applause)

There is nothing I can do. When I go to a petrol station today, I find that the price has gone up from Kshs45 to Kshs48 and now it is Kshs58. What shall we do? In Europe people blocked roads with tankers so that people could not move and in that way let the Government realise that they could not survive that way. We are asking the Government not to push us too far, because we are already poor and it is adding us more burden.

Mr. Temporary Deputy Speaker, Sir, there is not enough electricity in Kenya. If it is there, it goes off when I am just about to watch a programme I like on television. There is no water, fuel and food. Soon or later, whether you like *Mungiki* or not, we will join them to cause some chaos because we cannot survive like this.

An hon. Member: There will be no Government!

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, if we allow our infrastructure to deteriorate the way it

is and our port and railway system fail to deliver, our neighbours will not do business with us. Uganda is our biggest market but they are almost going to South Africa because we cannot deliver our goods in time. Their goods cannot reach Uganda in weeks, while goods from Durban can reach Uganda in seven days. So, we will destroy this country more, if we do not put our money in the management of the port, railway system and roads.

I would like to say something about fish, because this comes from my home district. There is something wrong with the fish industry. The European Union has said that they will not buy fish from us any more, because our beaches are dirty. Of course, we cannot clean those beaches because nobody puts money into them. So, what will we do? We are going to have a vicious circle of fishing and the fish getting rotten.

Mr. Temporary Deputy Speaker, Sir, I would like to point out that nobody has established any cold storage facility along the lake; nobody has developed any roads towards the lake and nobody has supplied electricity around the lake, so that we can have cooling centres. Suba District is the only district in the Republic of Kenya without electricity and, yet, this is the same district which produces 70 per cent of fish from Lake Victoria, which is a fresh water lake. Are we serious in this country? Do we want to fight poverty? The Minister for Finance should look at the power which has been given to him to mobilise resources and resource allocation as a responsibility to this country; that we should put our money where our people need it most and where we can generate more resources for this country. Otherwise, when we review our Constitution, I will propose that every province should have its own governor and budget, so that somebody can control the resources of Nyanza Province. This will ensure that we do not fight with people from Central Province, who should generate and look after their own resources. We should have a lean and efficient Central Government with a small army and nothing more. This Government can look at foreign affairs and we can look after our affairs.

People will rebel because centralisation of power in this country, which is equivalent to centralisation of resources and benefits has destroyed us. We will rebel very soon. I hope that this message will reach the high levels.

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

The Assistant Minister for Energy (Mr. Chanzu): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the Bill. I support the Bill because to run an economy like ours, we need to have money. Therefore, we need a sufficient revenue base from which we can run our economy. There is need for strict and prudent implementation of taxation measures which were outlined in the Budget Speech in June. I would like to commend the Minister, and the Ministry as a whole, for the measures that were outlined. I would also like to commend the Kenya Revenue Authority for the brief that they gave us last week, on their performance as far as revenue collection is concerned. There is Income Tax, Value Added Tax (VAT), Customs and other forms of taxes. The information we got was very commendable. I would like to urge those concerned to collect enough money to run our economy. If measures are put in place to collect more money, we could reduce dependency on external sources. It could be very beneficial to all of us.

We should also ensure that some of the measures are not prohibitive. They should not deter growth and development. We should have incentives to enable small-scale businesses to prosper. It is through micro-businesses that we can collect more revenue. The income generating activities will also prosper if there are some measures to diversify. We should look into ways of investing in areas which can revamp the economy. The agricultural sector is the mainstay of the economy. We should look into ways of supporting the farmers. Farm inputs should be within the reach of the farmers. We have got the informal sector which employs majority of our people. If we support the Jua Kali sector with precision, we can produce items for export to the world market.

Mr. Temporary Deputy Speaker, Sir, we should also concentrate our efforts on infrastructure. If the infrastructure is in a bad state, it would be very difficult for us to achieve what we set to achieve in the Budget. I would like to commend the new Kenya Tea Development Agency (KTDA). The management has announced that tea bonuses this year will be higher than last year. We would like to see much more of that in other sectors. The tea sub-sector, which was almost dying, has already started to pick up. If proper management is put in place, other sectors could also pick up. I would like to comment on the collection and utilisation of the tea cess. In some areas, it has remained very unclear for a long time. At one stage, we thought the composition of the committees to manage the tea cess would include representatives from the tea farmers, civic leaders and other representatives. That is not yet clear. I would like the Minister to look into that, with a view to streamlining it. The civic leaders come in as people's representatives. It is very important that they are involved.

Mr. Temporary Deputy Speaker, Sir, time has come such that when we budget, we should do so with the available funds in mind. We get into very awkward situations when Questions are raised about schemes which were planned many years back, but were not implemented. The Government should try, as much as possible, to budget with available funds in mind. Funds set aside for projects must be sufficient to complete them. When we start projects without enough funds, they become more costly due to inflation and the time wasted. The longer a project takes, the

more costly it becomes. So, it is good to close those gaps and plan with available funds.

Mr. Temporary Deputy Speaker, Sir, the other item that I would like to touch on relates to projects which were started a long time ago, but have remained uncompleted up to today. As a country, we have lost a lot in those projects. A very good example is the National Youth Service (NYS) Housing Scheme, Offices and Workshops at Ruaraka. That project was started way back in 1988. Up to now, more than ten years later, the project remains incomplete. The same applies to the police station in the Industrial Area. There are several other projects. I think more emphasis should be put on the completion of those projects, so that Kenyans can use those facilities. If it is not possible to find funds to complete those projects, it would be advisable for the Ministry to consider selling them off. Those are huge projects which took a lot of money. Today, it could cost a lot of money to complete them.

Mr. Temporary Deputy Speaker, Sir, it would be advisable for the Government to revive some of these projects so that we can recover the money that is tied up in them. Another example is the provincial headquarters in Kisumu. This is a project that was planned in 1985/86, and maybe at that time, it was estimated to cost about Kshs185 million. Within a few years thereafter, the cost had more than doubled and up to this time, the project is incomplete. On the other hand, the Central Bank started a project just next door and it was completed within a very short time. We are now making use of that facility while Kenyans are yet to make use of the provincial headquarters. So, that is the reason why I am suggesting that, if the Government cannot find enough money to complete these projects, it should consider disposing of them so that it can recover the money that has been tied up in the projects. As we look towards the year 2020, by which time we intend to become an industrialized country, it is good that we put some funds in research activities and studies on areas or aspects which can enable us achieve that goal.

Another aspect which is of concern, and which I think we need to address, is management of funds or donor-funded projects. A very good example is the *El Nino* Emergency Fund where we are getting money in form of loans. We have to adhere to the conditions which are stipulated by the donors. But it becomes very difficult for our people to manage some of the programmes. It becomes very bureaucratic. I have an example of a road in Vihiga; from Magada to Mbihi which is being done very poorly. The designs were very poorly done, the workmanship is very poor and the materials are very poor. But when you talk to the *El Nino* Emergency Fund officials, they say that: "Each and every query must go back to the DDC." Then you wonder; if the work is going on and you are waiting for a DDC meeting, and DDC meetings do not take place every day, then a lot of things will go wrong. So, I think, we must have mechanisms put in place to enable prompt correction of such mistakes so that money is not misused.

Mr. Temporary Deputy Speaker, Sir, the other issue which I would like to comment on is the use of the Local Authority Transfer Fund (LATF) money. It is a good idea that the local authorities be involved in the utilization and management of the public funds. But we need to instill more transparency and accountability in the way these funds are being managed. An example of that is the money that has been released recently. To my understanding, I think it has been administered by councillors on their own. It is proper that we institute some committees so that the councillors do not just manage the funds themselves. I think there must be some kind of committee to oversee what is being done with these funds down in the wards or constituencies.

Finally, reforms have been with us for quite for some time and it is good that we strengthen our institutions so that we can handle whatever is expected of us internally. We have got reforms in the Local Government; we have got poverty reduction and population control strategies. All these will require internal controls. We need to be internally strong so that we do not adopt ideas which are likely to be counter-productive to our development agenda.

With these few remarks, I beg to support.

Mr. Parpai: Thank you, Mr. Temporary Deputy Speaker, for allowing me to contribute to this very important Bill. The Finance Bill has emanated from the Budget that was read in this House by the Minister in June this year. We have had an opportunity to look at the Votes of a few Ministries. Indeed, many of the Ministries have not been discussed exhaustively by this House, either because of the limited time or due to ulterior motives. This is because there are Votes that have not been discussed for some time. There are Votes that this House has all along been eager to discuss. We have wanted to discuss some Votes because, as Members, we feel that some expenditures are being exaggerated. Some Ministries have no basis for getting the allocations that they have been given. Nevertheless, we have given a nod and it is upon the Accounting Officers of those Ministries, and the Departments concerned, to adhere to the Budget and implement it in a disciplined manner.

Mr. Temporary Deputy Speaker, Sir, we have a problem here because, over the years, as a House, we have been called upon to come, discuss and vote more money in terms of Supplementary Estimates. It is really interesting because these Votes emanate from the Accounting Officers who should have known how much money they require for particular items. Indeed, at times we come here at around March to vote money in terms of Supplementary Estimates which is even more than the money that we approved in the main Budget.

Mr. Temporary Deputy Speaker, Sir, with the "Dream Team" in place, I hope that we shall not be called upon to discuss Supplementary Estimates. I strongly feel that, as a country, we can only instill discipline in our accounting

systems if we have the right people in the right places; people who know what they are doing. In this country one will not be surprised to see a doctor being appointed the PS, Ministry of Finance. This is a fellow who cannot even interpret a trial balance. He has not done economics and he is told to go and man that backbone Ministry of this country. It is very interesting. As a House, we need to vet some of these appointments; we need to know their backgrounds. We want to know whether they are the people being circulated around to ensure that this country is brought to its knees. Sad to say, this country has not been robbed by Members of Parliament or by the public, but by the Accounting Officers and other officers in these Ministries.

We have said a lot in Public Accounts Committee and Public Investments Committee reports and we have made resolutions. We have said what we wanted as representatives of the people. We have said what should be done to the looters but nothing has taken place. Instead, like I said last year, what happens if one is mentioned to have misappropriated funds in a given parastatal or Ministry, is that he gets a promotion. He gets a chance of going to where more money is found or collected, so that he can steal much more.

Mr. Temporary Deputy Speaker, Sir, I sat listening to the Minister for Finance as he read his Budget Speech here in June, and I found out that he has not at all taken care of pastoralist areas. It is very annoying. Today, if you wake up in your house, whether it is in Buru Buru or even in Parliament here, you see cows roaming the streets. The Minister has not found it fit to see to it that we have the KMC re-activated, to assist pastoralists have their animals slaughtered, for them to benefit by at least, getting something out of the skins of those animals. That has not taken place and to date, nothing is coming out not only from the Minister for Finance, but even the Minister for Agriculture and Rural Development. Three or four months ago, the Minister for Agriculture told this House, and Kenya at large, that he was going to re-open the KMC. To date, nothing is happening. Indeed, he owes an apology not only to this House but also to Kenyans and especially so, to pastoralists. It is very ironic. It is wrong for a Government Minister to give an assurance to the country and taxpayers on something that he does not believe in. Indeed, he owes an apology to the whole nation. He does not have to tell us something he knows he cannot do. If he found roadblocks on the way, he should come back here and tell us what roadblocks he has encountered.

Mr. Temporary Deputy Speaker, Sir, today, there are areas in this country that are receiving relief food. I expected the Minister concerned to also have gone out to look for fodder for the livestock. What is he doing? He is not talking about livestock. We keep hearing that there is money that has been given by donors to assist coffee, tea and pyrethrum farmers. What has happened to the livestock farmers? Are we saying that the livestock sector is not an important sector in this country? Are we saying that the livestock farmers in this country are not contributing to the economy of this country? What are we really saying? Why does the Minister concerned not come up openly and tell us what he thinks of us? It is very interesting. I even expected the Minister for Agriculture, for that matter, to tell us what programme he has in re-stocking the animals. If re-stocking is not done in this country, pastoralists will be the poorest people in this country. Not only are they going to be the poorest people in this country but they will for ever depend on relief food. What are we waiting for? Are we waiting until we reach that stage? Why do we not act when we are still within time? I would like the Minister for Agriculture and also the Minister for Finance to address this issue seriously today and not tomorrow. Tomorrow will be too late for pastoralists.

Mr. Temporary Deputy Speaker, Sir, much more, children from those areas have dropped out of school. They are being chased for lack of school fees. If somebody is receiving relief food, is he being told to go and sell it to pay school fees? The Minister for Education the other day talked here and said that the Government has increased bursaries but what formula is being used in disbursing those bursaries? The formula that is in place now is dependent on the population of children in a given school. Is that to say that when one is polygamous he is poorer than a monogamous fellow? We know very well that polygamous men are richer than the others. You cannot tell me if you are coming from an area that produces tea or coffee, you are poorer than a fellow who comes from Kitui or Kajiado for that matter. That is a wrong formula in disbursing bursaries. We should re-examine the formula used to distribute our resources. It has to be equitable. Without doing that we shall not promote some of these areas that have been left behind.

Mr. Temporary Deputy Speaker, Sir, worse still, the same areas that are not benefitting have also been ignored by donors and I am not surprised why that is so. It is because they do not have representatives in those offices where negotiations take place. The other day, we were told about the distribution of the *El Nino* funds. I am told that Loitokitok did not experience rains and so, there are no *El Nino* funds that I am going to get. What is that? You go to areas like North Eastern Province and some parts of Coast Province and they are told: "There has been no rain there and, therefore, you are not going to get *El Nino* funds." What criterion was used in distributing that money? Who said that there are areas that have suffered more than others? I tend to think this happens because the officers who negotiate for these funds come from some given regions. Secondly, the officers who distribute these funds do not go out of their offices since they do the distribution in their own offices and since they come from these areas, they think they are more affected than others.

How then are we going to remedy this situation? It is high time every region in this country was represented

in all areas, so that like what my colleague, hon. Kajwang, has said, the cake is distributed equitably and reasonably. It is high time we focused on those areas that were ignored by the colonial power, first and successive governments. If we do not do this, those areas and much more the area that I come from, will remain backward indefinitely and will not be able to compete with the other areas. How can I be told to compete in KCPE with somebody who comes from Nairobi here, Central Province or Kericho? How do I compete with them? There is nothing in my area. I have been ignored and I am still being ignored.

Mr. Temporary Deputy Speaker, Sir, in my constituency, people do not know what is called a tarmac road. They have never seen it. They have even never seen a railway line. If those questions were among the questions that are going to be asked in KCPE, how do you expect children from my constituency to pass that kind of exam? It is high time we understood that we did not all begin from the same level ground and we can only compete if more emphasis is put on those areas.

Mr. Temporary Deputy Speaker, Sir, what annoys me most is the way the local authorities have been segmented. Many local authorities in this country these days cannot afford councillors' allowances, let alone delivering services. Some of these mistakes are not of their own making. Yes, I admit that there is misappropriation of funds. We have, in some cases, greedy councillors but the question is: Is it they who are subdividing and creating unviable authorities?

Mr. Temporary Deputy Speaker, Sir, eight years ago, Ol Kejuado County Council had only 27 councillors. Today, as I speak, there are 60 councillors. If, in 1990, they had a problem paying allowances to 27 councillors, how do you expect them to pay 60 councillors now? What has the Government injected in their revenue base? What is required? If the Central Government feels very strongly that they want to create more locations and county councils, then they should take the responsibility of paying councillors' allowances. In fact, it is long overdue. A Motion was brought here and passed by the House, urging the Government to take over the payment of councillors' allowances. Councillors are very important people. You cannot imagine a local leader, who is always with the people, earning about Kshs7,000 and expect him to discharge his duties as required. He will be tempted to grab and sell Government land. For us to remedy that situation, let the Central Government pay councillors' allowances. The Government should in fact increase their allowances to some reasonable amount. In fact, Kshs50,000 is not too much for a councillor. This will not only assist them in their day-to-day running of county councils, but it will also attract people of high integrity, with good qualifications, to run local authorities in this country.

Local authorities in this country have actually been ignored and blamed for various ills. I do not know whether it is some of us in Parliament, or those in high offices, who do not know what local authorities are expected to do. Some of us do not want to even hear what a local authority is all about. Local authorities are very important organs in this country. Most of us who were in schools when local authorities were well managed, had the opportunity of having our fees paid by those local authorities. What are they doing these days? They are doing nothing. This does not mean that they do not want to pay school fees or give bursaries, but they do not have enough money to do so. Therefore, we need to transfer some of the services to the local authorities because they are supposed to be administered by local people using the local resources. We need to strengthen them.

The burden has been thrown to Parliament, and the Central Government, because we have taken their responsibility. These leaders know better than we do because they are always with people at the grassroots level. In fact, whatever they do will be appreciated by the local people because they are doing it on their behalf. Therefore, it is pointless to blame them day in, day out. In any case, looking into the Mbogua Report, the mess in Nairobi City Council occurred because of the influence from high offices. It is true that to some extent councillors are also to blame for this mess, but they have "followed Nyayo." If someone "follows Nyayo," why should he be blamed? So, we need to strengthen the local authorities.

Mr. Temporary Deputy Speaker, Sir, the Loitokitok-Emali Road passes through my constituency, but it is in shambles. Loitokitok is on the slopes of Mt. Kilimanjaro. It is a very fertile area. In fact, Loitokitok is the leading area in beans production in this country. It produces about 40 per cent of horticultural crops in this country. But the roads there are in a sorry state. Farmers cannot transport their produce to the market during the rainy season. In fact, when it rains, about 90 per cent of farmers' produce goes to waste because the road is impassable. Even during the dry spell, it is also impassable. In 1989, this road was supposed to be tarmacked. The donors asked the Government to do the first 12 kilometres and then they would do the rest. This road is about 100 kilometres. The Government did about 8 kilometres before money was diverted to other projects. Because of that, the donors withdrew from this project. Where did that money go? Did it go to an important road? Not at all. In fact, the road where that money was diverted to is not viable. It is sad that we do not have tarmac roads because of our own mistake. What is the Minister concerned doing to ensure that, not only will they tarmac the road, but they will also encourage the very hardworking farmers there to produce even more? Are we saying we will not tarmac that road because the area is now an Opposition zone? If it is an opposition area, are our people not paying taxes? If so, how will they benefit from their

taxes? I want to urge the Minister concerned to consider tarmacking Loitokitok-Emali Road. I have just stated how important it is. We want to encourage our farmers to produce more. We want to see a situation where we benefit from the taxes we pay.

Mr. Temporary Deputy Speaker, Sir, on the issue of price controls, it is true that we are part and parcel of those who have consented to liberalisation. But why does whoever negotiates for liberalisation always put himself or herself on the weaker side? Today, prices of petroleum products are exorbitant. I can hardly go to Loitokitok on a weekly basis because the price of petrol has gone up. If I cannot afford it, what about a teacher or a clerk in Nairobi here? Is that prudent? Why do we not re-look at this liberalisation? It is time the Government looked into what we liberalised.

Mr. Temporary Deputy Speaker, Sir, I do not know who is in charge of the education sector. Last year, the Minister for Education gave guidelines on how fees would be paid in secondary schools. Are those guidelines being followed? Who is violating the directive of the Minister? Who is senior in this Government? If a headmaster can defy the Minister's directive on fees guidelines, then where are we? We are at a crossroads. I would like to urge the Ministers to follow up whatever statements they make because many a time, some of the directives are not followed. The other day a Minister gave out a Government policy which I expected to have gone to the Cabinet and been approved. But the Permanent Secretary overruled that policy on the pretext that it was politics. It is terrible. Who is who?

With those few remarks, I beg to support.

The Minister for Medical Services (Dr. Anangwe): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the Finance Bill. A Finance Bill is about measures in the Budget and it is, therefore, about a fiscal policy. Ideally, a fiscal policy is supposed to subordinate itself to the overall development policy. To assess the merits and demerits of a Finance Bill, one has to bear in mind two fundamental considerations. One is whether or not the measures proposed on public expenditure have been rationalised to make them more focused on development fundamentals as well as to reduction of waste. Two is whether or not the taxation measures are geared towards increasing State revenue and whether they are also achieving equity, and providing incentives for investment and growth. On the basis of these two considerations, and against the background of what I have said, when you look at this particular Finance Bill, it does fulfil those considerations very well.

Mr. Temporary Deputy Speaker, Sir, I have listened carefully to what my colleagues have been saying in this House in relation to this Finance Bill. They have been talking about the larger picture. Some of the comments and criticisms that have been raised in respect to this Finance Bill, seem not to be based on the understanding that this Finance Bill is not an end in itself. This particular Finance Bill is an instrument for us to realise the implementation of the Interim Poverty Reduction Strategy so much so that when we are looking at it, we should not look at those measures in isolation. Let us look at what has been provided in the Interim Poverty Reduction Strategy and assess to what extent the proposals being made in this particular Finance Bill will facilitate or hinder the realisation of the goals and objectives of the Interim Poverty Reduction Strategy. Therefore, many of the comments that have been made, particularly the criticisms, would have been different if that particular angle would have been borne in mind.

Let me focus specifically on my own Ministry or the health sector. I think, in this Interim Poverty Reduction Strategy, we have elucidated the kind of measures and objectives we would like to achieve if and when this House does approve the Finance Bill and empower the Minister for Finance to raise the required revenue for us in the Ministry of Health to realise these particular goals. One of the goals is, indeed, to shift resources and personnel away from curative to preventive measures. We believe prevention is cheaper than cure. In that way, we shall be able to enhance equity, prevent diseases in time, and ultimately, bring down expenditure on medical services. We have also said, in this Interim Poverty Reduction Strategy, that we will like to get the resources to cope with the HIV/AIDS, particularly with respect to the vulnerable groups. This is a pandemic. So, when you oppose the Finance Bill, you are tying the hands of the Ministry of Health so much so that it will not be able to cope with this particular problem. Yesterday, I was quoted in one of the local dailies as having said that all aspirants for parliamentary and civic seats should be tested for HIV/AIDS. I disown that particular report! It was a creation and fabrication of the said journalist. We, as a Ministry, uphold the principle that HIV/AIDS victims should be integrated in the national life, and as much as possible, they should be given support to lead a normal life. So, I would be the last person to say that victims should be discriminated against by being subjected to tests that may be prejudicial to their interests. All we are saying is that, let everyone who has HIV/AIDS be considered as a normal person and be assisted, although we encourage people to engage in voluntary self-testing so that they know their HIV/AIDS status.

The second objective that we have given ourselves in the Interim Poverty Reduction Strategy, which we hope that the Ministry of Finance will get the resources required to finance our activities in the Ministry of Health includes ensuring that charges for treatment of certain diseases are dropped, while the waiver system will be enforced for the very poor. Listening to debate in this House, the issue of access to medical services has been raised. In one case, one

hon. Member stood here and argued that there are no drugs or medicines in hospitals. May I say that the Government and the Ministry of Health have tried their level best to ensure that we address that particular problem. Indeed, we have made visits to many places. I have been all the way to Laikipia, Dol Dol, Manderu, Msambweni, Malindi, Kangundo and many other places. I think the issue of shortage of drugs is not a basic one. What people are complaining about most is that, there is lack of personnel. But when you go to most of those places, there are drugs. I can say, with authority, that there are drugs. Many times, those who complain about shortage of drugs never visit these institutions. They are living with the past assumption that because there were no drugs in the past, therefore, there are no drugs. May I reassure this House and this nation that we have been able to reduce pilferage in public health institutions and drugs exist in health centres and dispensaries. We may not have all the essential drugs in the varieties required but, by and large, there are drugs in the health institutions.

Another issue which one hon. Member is prompting me to comment about is the affordability. Many people have said a lot of things about cost - sharing. When this particular measure was introduced, the intention was to generate resources to complement what the Government was doing. Initially, as way back as 1989, we used to generate about Kshs70 million, but now this particular component of revenue or expenditure in hospitals, has hit the Kshs500 million mark. Of course, when the decision on cost-sharing was being made, nobody anticipated that the programme would create problems of access and affordability; the intentions of effecting that programme were good. However, it is now becoming increasingly apparent that between 20 and 8 per cent of the population in urban and rural areas respectively are finding medical services unaffordable. These are significant percentages. We would like all Kenyans to access health services; even if only 1 per cent of this country's population complain that they are unable to access medical services, we must respond. I have therefore---

Mr. Michuki: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the Minister to change official figures on the Floor of this House? He is telling us that only 20 and 8 per cent of urban and rural areas population respectively cannot afford to pay for medical services when we know that 52 per cent of Kenyans are living below the poverty line. Is it in order for the Minister to give us that contradictory figure?

The Minister for Medical Services (Dr. Anangwe): Mr. Temporary Deputy Speaker, Sir, when one is said to be living below the poverty line it does not mean that he does not have money to afford medical services. Living below the poverty line means that there is a threshold below which you cannot afford a decent living. Also, not everybody who is living below the poverty line is unwell. So, the hon. Member should not assume that the 52 per cent of this country's population, who are living below the poverty line, cannot afford medical services. I was just about to expound on this particular point further and allay the fears that the hon. Member has raised when he interrupted me.

Mr. Temporary Deputy Speaker, Sir, in the light of the complaints that hon. Members have raised in this House and the concerns that we have had from members of the public, the Minister for Medical Services has decided to refine the policy of cost-sharing in order to enhance access and affordability. We are not saying that we are going to stop the cost-sharing programme. All we are saying is that we should be able to refine this policy, so that those who deserve to be exempted from paying for the service are directly targeted and addressed. I am sure that, if given the requisite resources, we should be able to achieve this objective.

A number of comments have been made in this House in respect of how revenue in the Government is being spent. One hon. Member said: "We are being asked to authorise the expenditure of this money, but at the end of the day, it will do nothing." I appreciate such concerns. However, we should realise that the bulk of the money that we vote for here goes to meet recurrent expenditure, particularly payment of personal emoluments, and that very little of it goes to finance development projects; that is the reality. Those who earn the portion of this money, which is spent on personal emoluments, are Kenyans, be they in KANU or Opposition zones. That money is being used to sustain the families of those Kenyans, although that is not the sole intention of employing those people. Of course, the main intention is to afford those people an opportunity to contribute towards national development. The reality however is that, that is where the money is going. That is why the Government has introduced measures to cut down the cost of public expenditure through retrenchment, so that more money can be available for investment in the development projects. That, however, is not realisable now, because of the fact that we are spending a lot of this money on personal emoluments, or on the recurrent budgets.

Mr. Temporary Deputy Speaker, Sir, recently, the Minister for Finance, recalculated the anticipated growth of this country's economy. Following this, some people have been raising criticism. We must, however, appreciate the fact that some of the measures we have introduced will reduce the momentum of economic growth in the short term and yield dividends in the long term. I am particularly concerned that, despite the Government's efforts to reduce the number of Ministries, so as to create a leaner Government structure, wananchi's expectations have not yet changed; the concept of minimal Government has not yet sunk into his head. To him, the Government still remains an institution of first recourse in the event of need and development problems. Whereas we are, on one hand, re-orienting Government structure, on the other hand, the reality on the ground is that, in terms of Government operations and activities,

expectations still remain fundamentally unchanged amongst wananchi. For instance, we used to have 27 Ministries before; we now have 15 Ministries. We used to have 27 Permanent Secretaries (PSs); we now have 15 PSs. In some Ministries, a PS may be in charge of three dockets. He may, for instance, be in charge of the environment, water and mineral exploration dockets. There must have been a rationale for having PSs in respect of the previous Ministries. So, one PS may now be doing work that used to be done by three PSs. I am giving this particular example in order to underscore one point.

Mr. Maitha: On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the Minister enlighten this House on his assertion that the Government has only 15 Ministers and 15 PSs when we know that there are very many Government Ministers? Could he tell us what the other Ministers do if he is aware of only 15 Government Ministers?

The Temporary Deputy Speaker (Mr. Musila): Mr. Maitha, that is not a point of order. Those are statements and a question. So, Mr. Minister, ignore the hon. Member and proceed.

The Minister for Medical Services (Dr. Anangwe): Mr. Temporary Deputy Speaker, Sir, I think hon. Maitha is just being mischievous. I will spare him for the moment. I will meet him elsewhere, so that we can square it out.

I was saying that the workload for those particular PSs has increased. I am sure that a PS who has been placed in this kind of situation is indeed going through a very difficult time in trying to manage the various dockets that have been placed under his office. In the process, there may be some compromises here and there in terms of effective performance, not that the PS is not effective; there is a limit to the amount of workload that one can handle given the kind of demand vis-a-vis the population. Many criticisms have been raised against the Government in terms of performance. Let me say here and now that the Government has been formulating very good policies; it has given its vision in those policies. But, of course, the missing link, as an hon. Member has pointed out, is implementation of those policies. When you look at many sectors of this country's economy, be it transport, agriculture, health or tourism, you will see that, of course, the missing link is implementation. But who is responsible for implementation? It is civil servants. To the extent that civil servants are not able to perform, there is a limit to which you can put blame on the Head of State or a Minister. The responsibility of implementing Government policies rests squarely on civil servants. Civil servants come from all parts of this country. They do not come from KANU zones alone; some of them come from the Opposition zones of this country. They are also from the Opposition zones, to the extent that implementation of Government programmes has suffered. Part of the reason is, of course, deliberate sabotage orchestrated by the Opposition hon. Members. This is because from 8.00 a.m. to 5.00 p.m., these civil servants are in the Government offices, but after 5.00 p.m., they go to hobnob with Opposition politicians in bars and are given ideas on how to sabotage the implementation of Government policies. To that extent, we are equally culpable.

Mr. Muite: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the Minister to mislead the House that the Opposition Members are responsible for lack of implementation of Government programmes? Is he in order to cast aspersions on hon. Members on the Opposition side when the Minister knows, or he ought to know, that civil servants are unable to implement what I consider to be very good policies because of lack of political support? Mr. Minister, it is the KANU politicians, particularly the Chairman of your party, who are using the Provincial Administration to do that, and other civil servants are afraid of implementing policies. Is he right to mislead the House?

The Minister for Medical Services (Dr. Anangwe): Mr. Temporary Deputy Speaker, Sir, I still stand by what I said; that, there is deliberate sabotage by the Opposition Members in order to undermine the implementation of policies by poisoning the minds of civil servants, if and when they encounter them after office hours, or through other forms of communication. So, as far as we are concerned, because there has been a failure to some extent in the implementation of policies; as much as the Government may be blamed, Opposition parties should also be blamed, particularly those that engage in sabotage activities of this nature. We need not put our energies in formulating new ideas and policies. Indeed, my request to the "Dream Team," and where the challenge lies, is to enhance the implementation of public policies. The Team may not need to generate more fresh ideas and policies. All they need to do in order to make a fundamental difference, is to ensure that the implementation of public policies, particularly those that have been put in place, is enhanced. They should also ensure that when civil servants are given mandate or are appointed in positions of responsibility, be he or she a PS, a head of department, or the head of unit, is assessed on the basis of performance at the end of that particular planned period or financial year. It is only fair that those that are not able to measure up are shown the door, so that those who can be able to deliver are able to deliver for the benefit of wananchi. It is only when we are implementing policies and making services available to wananchi, that shall we be saying that the implementation aspect has succeeded. There are moments when Government officers are not performing and yet, they are retained just because probably they are not effectively evaluated. Evaluation in this country and in the Civil Service should be based on performance, and those who do not perform should be shown the door.

With those remarks, I beg to support the Bill.

Mr. Maitha: Thank you, Mr. Temporary Deputy Speaker, Sir, for also giving me the opportunity to contribute to the Bill. It is a very important Bill which guides us on how we could go about the management of finances, especially in regard to the Ministry concerned.

Before I contribute on other issues, I would straightaway go to the issues touching on the Local Government where I am a "Shadow Minister for Local Government." There have been many problems in the country with the local authorities, brought about by the usage of finances in the local authorities. They are in shambles, and, in fact, it has been a problem to gauge whether local authorities in this country do exist. I would urge the Minister for Finance to help the Minister for Local Government so that they could guide the local authorities on the usage and collection of finances. The local authorities in this country are the backbone of our people in Kenya. There are the people from those local authorities who depend on mayors and councillors to collect funds and render them services. But you will find that in most of the local authorities, there are very poor officers who are employed by the local authorities to man finances. That is why there has been a hue and cry on services given by the local authorities because the local authorities themselves do not have officers who are capable of running their finances.

It is my belief that the Minister for Finance could easily guide the Minister for Local Government or even second officers who are very capable from the Ministry of Finance and Planning to sit in the local authorities and report directly to the Minister for Local Government about the mismanagement of finances in the local authorities. The KANU Government which most of the time criticizes the local authorities from the Opposition areas, like in Nairobi, has its officers seconded there, and they are responsible for the failure of these local authorities.

We blame those corrupt mayors in the local authorities because we have read reports on them. That could be an exceptional case, but we have able officers who could advise the councillors on the management of local authorities. If that is done, finances meant for local authorities, which are collected from the residents will be safeguarded. So, I would like to make my humble petition to the Minister for Finance; that he should urgently meet with the Minister for Local Government and see how finances given to the local authorities, like Local Authority Transfer Fund (LATF) money could benefit the residents.

I have spoken today with the Minister for Local Government about it and he is agreeable that the country is in shambles because local authorities are now faced with various problems - councillors trying to pass vote of no confidence in each other every day and other problems. The public are not happy, and that is all brought about by money which is collected from the residents. Maybe, the officers and councillors steal that money. You will find that in some local authorities, some councillors are involved in the supply of goods to the local authorities, and that is a direct interest. The councillors would always supply and influence an officer; maybe by giving him or her more money for an item which would have been supplied cheaply by other companies. But because these are councillors' companies, they would ask for any amount of money because they can push around the Town Clerk and Town Treasurer.

QUORUM

Mr. Kimeto: On a point of order, Mr. Temporary Deputy Speaker, Sir. It seems as if there is no quorum in the House?

The Temporary Deputy Speaker (Mr. Musila): Yes, indeed, there is no quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Musila): Order! Hon. Members, we now have a quorum. Mr. Maitha, proceed.

Mr. Maitha: Thank you, Mr. Temporary Deputy Speaker, Sir. I was talking about the equipping of local authorities with officers capable of manning the revenue collected. It is a pity to see that right now most of the councils in the country are bankrupt. They have no money because the collection of revenue is not taken very seriously. Many people who are supposed to pay money to the local authorities do not want to pay anything because there are no officers enforcing collection of revenue, leaving those local authorities to collapse. Most mayors or those in charge of finances just go to the council to see how much money has been collected for the day so that they can get either allowances or imprests and then go home. It is a pity that right now the Minister is involved in going to councils trying to cool down the tempers of councillors on various issues. For example, for the last one week, councillors in Mombasa have been fighting just because the local authority has no finances to pay its workers. For over two months now, workers have not been paid, yet the councillors have been fighting.

If a local authority is given authority to collect revenue from the public, the councillors should not be allowed to get contracts for that local authority. It is in this regard that the Ministry of Finance should make guidelines so that

the Minister for Local Government can give proper guidance to the local authorities on finances. We have been having a lot of problems and most assets of the councils are being acquired by the councillors. They are being sold and that is where the fight always comes from. The Minister has agreed to go to Mombasa next week to solve those problems, but how does he go to a local authority to solve a problem that concerns money? The Minister does not take money to Mombasa or any other local authority. He just goes there to say: "Wacheni kuteta. Msipigane, maanake nyinyi wote ni watu wa Nyayo." When he leaves the town, the public is not happy. That is why I am saying the Minister for Finance should find a way of controlling local authorities, especially on the LATF money.

We were guided by the Act of this Parliament in the formation of the District Roads Committees (DRCs) where local authorities are supposed to be directly involved so that they can inform the DRCs on the finances they use, especially the LATF money on maintenance of roads. Most of the councillors, hoping that they will be the next Members of Parliament, do refuse to come to these DRCs. They even refuse to come and say how much money they have on the LATF kit. They even refuse to come with the engineers to tell the DRCs how they maintain their roads in local authorities. Most roads are not maintained by local authorities. The Mombasa Municipal Council has neglected the road from my area in Utange to Shanzu. They have the money but they squander it everyday. They collect the money everyday and it is paid to suppliers who are able to give them 10 per cent "kick-back" everyday. This is something which is painful. Something should be done by the Government so that Kenya is seen to have local authorities which are able, can collect public funds, take care and use them properly.

Coming to the Finance Bill, it needs a lot of changes though it has talked of good things. I was happy to hear the Minister accepting the fact that VAT has really made people's morale go down. The Ministry of Tourism collects a lot of money from my area. Kisauni Constituency has all the tourist hotels in the Coast Province.

Mr. Temporary Deputy Speaker, Sir, there has been a decline in the tourism sector. As leaders from Coast Province, we have done a lot to improve the tourism sector in that area by relocating beach operators and ensuring that there is security in the area. But you will find that while we do that, the Government is, in fact, killing this industry by introducing many levies which lead to the decline in the hotel industry. A good example is the Airport Tax which is levied on tourists who come to Kenya. That tax should be abolished. A tourist will always look at the package Kenya offers while he comes here to spend his holiday and compare it with what Seychelles or South Africa would offer. The package which the tourist is offered in South Africa is lower than the one that is offered by Kenya. This is because the Government of Kenya would like that tourist to pay all the taxes we need such as VAT, Airport Tax and, maybe, they will still come up with other taxes. We are killing the whole industry.

Mr. Temporary Deputy Speaker, Sir, I think we should do away with the VAT for hoteliers. We should also do away with the Airport Tax so that the number of tourists booking in these hotels can improve, hence have many tourists coming to this country. This is one industry where the Government gets a lot of foreign currency. I would like to point out that the many levies or taxes imposed on such an industry, apart from other aspects, will always kill it.

Coast Province has been neglected by the Government, because the coastal people are always regarded as "people who lie low." The Government has seen it better to cut us off from various issues. I have been reading this Bill, trying to find out whether the Government will reduce tax on palm oil. If the Government reduces tax on palm oil so that it can import it into the country cheaply--- Coast Province is one place where the Government can get palm trees. In fact, there are thousands of palm trees in Coast Province. This is the main tree which is grown in this province. I brought a Motion to this House legalising consumption of *mnazi* in Coast Province. This Motion was passed, and the Government is yet to bring a Bill to this House. I would like to say that the Government through the House Business Committee - and the Leader of the House Business Committee is here - does not want to bring that Bill to this House, so that it can be passed in order to have a Palm Tree Industry Act being put in place.

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has cast an aspersion by making an allegation that we do not want to bring the Bill to the House. Could he substantiate his allegation?

Mr. Maitha: Mr. Temporary Deputy Speaker, Sir, if you look at the Order Paper containing the Bills which are supposed to be brought to this House, you will find that there is a Motion which will come to this House to seek leave of this House to bring a Palm Oil Industry Bill, which has now taken two years after we passed a Motion in this House. We are talking about the palm tree tax which is being reduced by the Government to bring in palm oil.

The Temporary Deputy Speaker (Mr. Musila): Note that the Bill is already there; that is not in dispute. You said that the House Business Committee has deliberately refused to bring the Bill, and you were challenged to substantiate that.

Mr. Maitha: Mr. Temporary Deputy Speaker, Sir, it is evident, because it is in that list and they do not want to bring it, and yet, they know that Coast Province has *mnazi* which can produce oil.

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. The allegation means that the House Business Committee deliberated on the Bill and took the decision not to bring it here. Could he

substantiate that the House Business Committee discussed the matter and took a decision not bring the Bill here? That is the allegation he has made.

The Temporary Deputy Speaker (Mr. Musila): Mr. Maitha, is that the position?

Mr. Maitha: Mr. Temporary Deputy Speaker, Sir, let me withdraw that aspect and apologise so that I can continue. I was saying that this Government can have all those factories in Coast Province and produce a lot of oil. I would like to say that the Government imports this oil into the country and sells it to the East Africa Industries (EAI) and Bidco Kenya Limited. I would like to point out that over Kshs3 billion is being used by the Government to import this oil. If the kshs3 billion can be utilised in Coast Province by establishing factories which can manufacture oil in this country, the Government would, at least, bring good news to the people of Coast Province. That is why I said that the Leader of Government Business should see to it that this Bill is brought before the House very soon. The Ministry of Agriculture should now take up this matter, so that the coastal people can earn the Kshs3 billion which the Government uses to import this oil. If we were to give our votes at the Coast Province, then we should be richer like the other people. It is by God's will that coconut trees grow in Coast Province. So, these trees are just like coffee and tea and there is no reason why the Government should keep quiet and continue giving foreign currency to Malaysia and other countries while we have the commodity here.

While I appreciate the theme of this Bill, it is good that most of my fellow hon. Members have talked on various issues. I come from a constituency where the biggest cement factory is located. This factory is called "Bamburi Portland Cement Company". The Government should stop allowing people to dump into this country cheap cement. There has been a case whereby cheap cement has found its way into this country. I would like to inform this House that Bamburi Portland Cement Company has been reducing its workers because it is disadvantaged by the Government's attitude to allow people to import cheap cement into this country. This company has invested in Uganda, where it is doing very well. At the moment, they have a workforce of about 4,000 people in Uganda, but here they have reduced the workforce to 900 people. If the Government is genuine in protecting local industries, it could have ensured that nobody brings cheap cement into the country, so that this company can expand and employ many people. We have another cement factory in Athi River, but it is now running at a loss because the Government does not care about encouraging this industry to sell more of its commodities.

I have gone through the whole Bill and found that it is a good one except Clauses 64 to 68, which are not relevant. This is because petrol is used by mwananchi. The increase in the price of this product has made people to complain whenever matatus and buses follow suit and increase their fares. The Minister should see to it that Clauses 64 to 68 are repealed, because they will always hurt the poor mwananchi of this country. This is because putting a lot of strings to such an industry will always cause a lot of problems.

I intend to bring new amendments to the Bill, but I will do this later on. I intend to give a notice to the Clerk for an amendment, because we need to include many things, like the Kenya Roads Board which has not been remitting money to the constituencies. We passed a very good Act in this House, we have been waiting for money in our constituencies and we believed that the Ministry of Roads and Public Works would give us the money, but they have not done that. It is appropriate for Parliament to include a clause which will make the Ministry of Finance remit that money directly to the Ministry of Roads and Public Works without going through many difficulties. We are the custodians of public interest and development and the public believes in us.

Mr. Temporary Deputy Speaker, Sir, it is wrong for somebody to stand up and say that Members of Parliament should not be included in the District Roads Boards and Constituency AIDS Control Committees because they are getting Kshs5,000 per sitting. The law is very clear. When a Member of Parliament sits in the District Roads Board, he is not paid anything. The Act passed through Parliament and was signed by the President. How come that some people are going round talking ill of Members of Parliament, whether they are from KANU or the Opposition? We have even been accused by the Head of State that we take Kshs5,000! It is in bad taste. I think the Leader of Government Business will advise our President that "Members of Parliament are not thieves." They have not taken anything from those boards. Within that Act, Members of Parliament are not paid any allowances. We offer our services free of charge. We sit in those committees to direct the road engineers work on specific roads. It was so hurting to hear that we have been accused of getting money from the committees. In fact, a statement should come out to rectify that. Members of public pick on very cheap things to circulate. We are not here to taint the name of the Government. When the Government does a good thing, we should say so. When the Head of State says good things, we should say so. If he says something which is against the people, because he is also a Member of Parliament, we should say: "Our friend, who is also a Member of Parliament, has erred by telling his friends bad things!"

Mr. Deputy Speaker, Sir, it is the wish of every Member that each constituency has a kitty from where he can direct specific officers to do specific jobs. If that is done, this country will head in the right direction. We would like that to be done by the Ministry of Medical Services. The Minister was here and bragged that all hospitals in Kenya have drugs. We can give him evidence of people suffering without drugs. But we do not want to come here to argue

with the Minister, although he is doing a good job. He traverses the whole country to see what is happening. I thank him because he gave me a very good hospital in my constituency. The Coast General Hospital is doing very well. They could have made it a parastatal, so that it could run even better. There is a very good mortuary. The upcountry people were suffering before. But now, they can store the bodies for two months without any problem.

The Assistant Minister for Local Government (Mr. Hashim): On a point of order, Mr. Temporary Deputy Speaker, Sir. Are mortuaries only meant for upcountry people?

The Temporary Deputy Speaker (Mr. Musila): That is a question and not a point of order!

Mr. Maitha: Mr. Temporary Deputy Speaker, Sir, I was praising the Minister for Medical Services. My friend Hashim is a Moslem. They do not keep a dead body in a mortuary. When you die, you are put in a grave in two minutes! So, those friends of ours who would like to take their relatives' dead bodies home use the mortuary for even two months. That is why I talked about the upcountry people.

It is a good Bill and I expect few amendments, but more new clauses. We can even add up to 140 clauses, so that we can add things like the Fuel Levy. We can add the procedure to draw the money by amending some sections of the Roads Act, so that it could be compatible with the Finance Bill. I will propose those amendments to the Clerk. Members of Parliament always "cry" about incomplete projects in their areas. The Government comes up with poverty eradication schemes which are only meant for offices. The Committee on Poverty Eradication came up with very good suggestions in every district. They went out and visited women groups. But you find that the money which they promised those groups never reached them. That is not alleviating poverty.

With those few remarks, I beg to support.

Mr. Kimeto: Thank you very much, Mr. Temporary Speaker, Sir, for giving me this opportunity to contribute to the Bill. This Bill is very important.

Although the Bill touches on several Ministries, it does not go down to the people it is expected to serve. Most of the money proposed in the Finance Bill come from the Fuel Levy. It could be extended to local levels to serve the people in the rural areas. For example, the money should help local authorities which lack water to get it, in order to serve the people in their jurisdictions. This time, the southern part of the country where the Maasai live is dry. The Maasais go far away in search of water. If the Minister for Finance could give some money to enable the Maasais and the people of Chepalungu to get water, they could feed their cattle and generate revenue to the Government. If the Minister for Finance could avail research funds to explore the North Eastern Province, those people could get grass for their livestock. That could produce good livestock which could generate revenue for the Government. But if the Ministry of Finance only expects money from the Fuel Levy and mismanage it without serving the people in the rural areas, we shall have the same situation without any improvements. I am requesting these Ministries to go to the village and spend these monies to serve the people. In future, people in the village should be assisted by the Ministry of Finance to eradicate poverty through funds for the provision of clean water for drinking, irrigation and for human resource development.

Mr. Temporary Deputy Speaker, Sir, as hon. Members have said, there are LATF funds which are given to local authorities without proper accountability. If that lack of proper accountability will continue, it will be a straightforward exposure of unjust treatment of our local authorities. We would like the local elders in the villages or the hon. Members in the constituencies to know how much money has been given so that they can liaise together with the councillors for purposes of development of those areas. The funds should not be used to pay non-existent debts. You will find that, sooner or later, our local authority staff and councillors will fight because they have mismanaged the money.

Mr. Temporary Deputy Speaker, Sir, the money for the Constituency Roads Board should be followed up by somebody from the Ministry of Finance to ensure that the constituents spend the funds well. We do not want the money to be spent without proper accountability and purposes that it was not intended to serve. We want every cent coming from the Ministry of Finance to be used fully to assist the people of this country and enable them solve their problems and improve their standard of living.

I have also seen that in areas where tea or pyrethrum could have been grown, the Minister for Finance has not taken any action to assist the production of these crops by releasing funds for carrying out research. Pyrethrum is a good foreign exchange earner for this country, but the Ministry is not serious in helping the people who have enough land to produce pyrethrum in areas like Molo, Keringet and Sagamia areas. There is also a high potential for tea and pyrethrum growing in Narok District.

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

[The Temporary Deputy Speaker

(Mr. Poghisio) took the Chair]

So, we would like the Minister for Finance to deal with this money and see to it that the money is spent in a proper and co-ordinated manner. We do not want people spending all the money every year without knowing exactly what it has been spent on.

Mr. Temporary Deputy Speaker, Sir, we have just witnessed that electricity power in this country is very difficult or expensive to install in the rural areas. Why can the Minister for Finance not give out the money to enable every part of this country to benefit from Rural Electrification Programme, so that people could use it to set up meat factories in the local areas like North Eastern Province? We could have supplied electricity to North Eastern Province to enable the people there establish meat and milk processing firms to assist them.

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. I just wanted to assist my dear colleague. Is he in order to discuss what may be called the Appropriation Bill which still has to come, instead of discussing the Finance Bill which has to do with taxation?

Mr. Kimeto: There is no difference between the two!

Mr. Munyasia: There is a lot of difference!

A Hon. Member: You are confusing him!

Mr. Munyasia: Mr. Temporary Deputy Speaker, Sir, I was just guiding my friend. Could he stick to the Finance Bill and leave these other things for the Appropriation Bill later?

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Munyasia, you are raising a matter of relevance here. Mr. Kimeto, I think you should be relevant to the Finance Bill.

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, I think I am in order. My learned friend only wanted a discussion and beat about the bush. I wanted to say that the Minister for Finance could assist the KPLC and the Ministry of Energy in supplying energy in the rural areas to enable people there setup small-scale industries. For example, in rural areas we walk for long distances in order to market our milk at KCC depots. The Minister for Finance could have gone to some local areas and assist the small dairy farmers to enable them to collect money, so that the revenue can get into the Ministry.

The Temporary Deputy Speaker (Mr. Poghisio): Order! Mr. Kimeto, I am going to come back to what Mr. Munyasia asked you to do. That is to try and stick to the Finance Bill.

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, we now come to what is called taxation. When it comes to taxation, you find that everybody is welltaxed on clothes and, maybe, "false taxes." However, unfortunately, are we spending this money to the best of our ability? We find that the areas do not have enough money. The money from the Ministry of Finance, should be distributed to the districts equitably, so that all the districts get an equal share. At one stage, we find that some money which is collected is much higher in some districts than in others. So, we do not see the rationale of some districts getting more money than others.

With those few remarks, I beg to support.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to say a few things about the Finance Bill. We expect the Finance Bill to effect several laws in favour of either the people or the Government, to enable it to collect funds to run this country. It is, therefore, very important that everybody understands the Finance Bill because it touches on so many areas and at times we tend to skip what is covered in it. By the time we realise it, already it will be affecting our people and tax collection in this country. The one thing I do not like about the Finance Bill is that even before we debate it here, it has already been implemented. About 80 per cent of what we are discussing now has already been implemented. I went to buy something from a shop and I realised the VAT which is being amended here had already been implemented. I asked the shopkeeper when he implemented it and I was told they did so immediately after the Budget speech was read in this House. Therefore, whatever we are discussing here has already been implemented and it is affecting our people. So, whatever proposals we come up with will not change anything because it has already been implemented. I do not like that bit at all.

Mr. Achola: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Mwenje in order to mislead this House that there is something he does not like in this particular Bill when the Constitution allows prices to be effected on the day the Budget speech is read? Until that time when the Constitution is changed here and not in Ufungamano House, that is the position and there nothing we can do about it.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, what the hon. Member is saying is exactly what I am talking about. I am very much aware of the provisions of our Constitution. That is why I am saying that the fact that this Bill has been implemented is not right. We should also amend the Constitution, so that the Finance Bill becomes effective after it has been thoroughly debated and the necessary amendments made in this House. There is no point for us to debate something which has already been implemented. Suppose we have to revise something here, then it will

mean the same people who have effected it will be told to do otherwise because the Bill has been amended in this House. So, it will be cumbersome for us to do that. I am saying the right position is for the Finance Bill to be implemented after it has been debated in this House. It is a pity that we are now debating something that has already been implemented. Suppose you had bought medicine at that rate and now it is amended, will you go back to the shop and ask for a refund? Do you expect anybody to refund you that money? Somebody will say at that time that law was effective and, therefore, it was implemented. All I am telling the Minister for Finance is that he should ensure that this Finance Bill is implemented only after we have debated it. That way our people will understand it instead of implementing it in advance. That is not the right position and our people will not be happy with the Finance Bill. If this Bill is implemented before it is debated in this House, I will be denied a chance to express the views of Embakasi people effectively because those are the taxpayers and they are supposed to benefit from the same tax.

Mr. Temporary Deputy Speaker, Sir, I would like to say that most hon. Members have talked about the Kenya Roads Board money. We have been put in a very precarious situation. For example, I am the chairman of the Nairobi District Roads Board. It was announced that by July it would have been implemented. However, to date, we have not received a single shilling for that purpose. So, instead of us blaming the Government we are now being blamed. I now realise why the Government wanted us to be chairmen of these boards. It was a good idea, but now I am carrying the load which, otherwise, the Government is supposed to carry.

Mr. Temporary Deputy Speaker, Sir, last time the President said that Members of Parliament should not sit on the District Roads Board. The Attorney-General has a cardinal duty to advise the President that some of the issues he comments on are laws passed by this House and which he has assented to. We do appreciate that sometimes the President can forget, but the Attorney-General and Cabinet Ministers are supposed to remind him. Instead, they just sit and wait for the President to make a mistake. They do not even tell him that whatever he is commenting on has already been passed by Parliament and he himself has assented to it. They want to embarrass the President before the public, but we would expect him to know this. I also appreciate that the President is very busy, and he can forget some of these things. However, what are his lieutenants doing to advise him? I believe that these Ministers simply want to embarrass the President in front of Kenyans.

Mr. Temporary Deputy Speaker, Sir, as much as we are in the Opposition, it is also the duty of those on the opposite side to advise the President. He is the President for the whole country and we do not want to see him being embarrassed by lack of advice and information from his lieutenants. The same applies to the AIDS fund.

The other day, we went to Mombasa to attend the AIDS Seminar and the President himself inaugurated it. So, he knows about it, but he may have forgotten. But again, the two Ministers for Health are hardly doing anything to advise the President.

The Minister for Medical Services (Dr. Anangwe): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Mwenje to mislead this House that the President is not informed on these issues? Is it in order for him to suggest that the President does not have a right to express his opinion on matters of national importance of this nature?

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, you will agree with me that the Minister is almost admitting that they do not advise the President. Honestly, the President was wrong. Why did the Minister for Health not advise him? If the President was informed, is the Minister implying that he was deliberately misleading the public?

The Minister for Information, Transport and Communications (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir. I just want to seek your guidance. Is it in order for the hon. Member to dwell on a matter that does not pertain to the Finance Bill? There is a clear deviation. There are no provisions in the Finance Bill over what he is talking about. So, the issue of relevance comes to question.

The Temporary Deputy Speaker (Mr. Poghio): Mr. Mwenje, it is important that you stick to the Finance Bill.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I am surprised to hear that from a former Minister for Finance. He knows very well what the Finance Bill is all about. He also knows what I am talking about. Truly, this money is derived from the same tax which we are discussing. The Fuel Levy and AIDS money is contained in the Finance Bill and is part of what we are passing. I am surprised that a former Minister for Finance would make such a grievous mistake. I hope he has got it right. Fortunately, he was one time my Minister when I was an Assistant Minister; I have no quarrel with him.

Therefore, this House has the responsibility to decide how the money derived from taxation should be spent. It is true that when money is being spent, the President, being a Member of this House and the Head of State, is also consulted. But let them advise him because we do not want to be criticised outside this House when the matter has already become law. This is money paid by the people of Embakasi and other constituencies. It does not belong to any individual person and, therefore, we have the mandate to decide how the taxes will be collected and then spent. As we go on, more money will be used to finance the activities of this House's Constitutional Review Committee. I would like

the Minister to tell us whether public funds are going to be used on that Committee.

Mr. Temporary Deputy Speaker, Sir, there are two parallel constitutional review teams. Could the Minister tell us how much money will be set aside for the Ufungamano constitutional review team? That team is also there legally and is composed of a larger majority than the Parliamentary group. Could that group also be given some money from the same tax to enable it carry out the review exercise? The Ufungamano team has majority support from this country's taxpayers. So, it should be given a chance and some money through the Finance Bill which we are just about to pass.

Since we are authorising the so-called Raila Committee on Constitutional Review to use taxpayers' money, I insist that a similar amount of money, if not more, be also voted by this House for the Ufungamano constitutional review team, to enable it do its job effectively rather than leave it to conduct Harambees to raise the money it requires to meet its expenses. After all, the Ufungamano group will ultimately carry the day.

This country is now in shambles. There is no water countrywide and the situation is now chaotic both in the City and upcountry. It is time we thought of ways of getting water for our people. I think we should spend the bigger portion of the money we are voting here to finance water projects and drill boreholes. I would like to appeal to the Minister to appeal to banks to make it easier for people who want to drill boreholes to borrow money, even with providing securities, for that purpose in both Nairobi and upcountry. I can see the Minister nodding in agreement with me; he knows what I am saying is the truth. We should finance the drilling of boreholes everywhere because people are now finding life difficult.

An hon. Member: You are speaking like a KANU supporter!

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I am not speaking like a KANU supporter. I am speaking as the DP Member of Parliament for Embakasi. I will never speak like a KANU supporter. Those who are in KANU are my "former brothers." They went wrong; I did not go wrong with them.

Mr. Temporary Deputy Speaker, Sir, all I am saying is that boreholes should be dug everywhere in the country, and that banks should be asked to make it easier for people to borrow money to finance the drilling of boreholes. I was also a banker at one time, and it was possible at my time for banks to provide unsecured loans to farmers in the agricultural sector. So, we should treat this matter as urgent.

Mr. Ojode: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am at a loss; I do not know the clause in the Finance Bill the hon. Member is referring to when he is talking about drilling boreholes and funding of the *Mungiki* sect and the Ufungamano constitutional review group.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I will treat hon. Ojode's point of order with the contempt it deserves. You must have noted that he said nothing; he just wanted to mention the word "*Mungiki*".

Anyway, now that the hon. Member has mentioned *Mungiki*, I would like to say that I was surprised that the names of those people charged in court allegedly for undressing a lady in Kayole are Okoth, Matagaro and Musyoka, among others. If those are the people who have formed *Mungiki*, I now know that *Mungiki* is "nothing."

The Temporary Deputy Speaker (Mr. Poghiso): Order, hon. Members! Any further reference to the *Mungiki* Sect is barred. Mr. Mwenje, please, I think with that, you should come back to the Finance Bill.

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I was only correcting Ojode because he has now realised that the *Mungiki* sect is national and, therefore, everybody should join it.

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

The Temporary Deputy Speaker (Mr. Poghiso): Mr. Ojode, that had better be a point of order. **Mr. Ojode:** Mr. Temporary Deputy Speaker, Sir, I just wanted the hon. Member to know that we do not have Ojode in this House; we have hon. Ojode. Is he in order?

Mr. Mwenje: Mr. Temporary Deputy Speaker, Sir, I know he just wants to waste my time, and I will go ahead.

Therefore, I was saying that I do appreciate that we need to collect money and amend some of these laws, including the Local Government Act. I realise that the Minister has given notice to amend Clause 84 of the Local Government Act. It is necessary that it should be amended. Also, I will give notice of an amendment tomorrow, touching on the local authorities and the services we expect from them. I am glad the Minister has also touched on the local authorities. But we must also avoid this question of double taxation, where sometimes you have a case where the same fees is charged by the City Council, the Central Government and other bodies. So, as a result, you will find that our people are so heavily taxed that at the end of the day somebody will be put out of business. He will not be able to do that business because he or she is taxed three times - plus the VAT and other taxes. Unless you are doing the business of stealing, you will not make any profit out of it. So, you will find that the people are abandoning their businesses. Investors are also refusing to come to this country and invest because they say that Kenya is one of the

most heavily taxed countries in the world. We must also look into it again and avoid overtaxing our people, if we want to attract investments.

Mr. Temporary Deputy Speaker, Sir, today, so many people have lost their jobs and they cannot get new jobs because there is nobody coming to invest in Kenya. I have found out that many Asians are now running away from this country to go and invest in Canada, South Africa and Australia. Part of the reason is that our people are overtaxed, and that is the whole matter of the Finance Bill. That is what we should be looking for in this Bill; to see whether the Minister has overtaxed our people, which areas have been overtaxed and can be corrected and amended. We should rationalise it, so that everybody can enjoy the fruits of his or her labour. When you do business and all the money goes to taxes for this Government, at the end of the day, it will collapse. It is just like when you over-milk your cow. If you do that, the cow itself will die and you will not even get that milk which you thought you could get. So, the Minister and his officers should sit down and look into that issue.

Mr. Temporary Deputy Speaker, Sir, I know that hon. Members may not have all the time to literally go through every clause because each clause refers to another one in the context of another. So, if you want to understand the whole Finance Bill, it will take you not less than six months to be able to compare what was there before and what is there now. The Minister knows that hon. Members will not have time to compare the two Bills.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! It is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 2nd November, at 2.30 p.m.

The House rose at 6.30 p.m.