

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 17th June, 1999

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### PAPERS LAID

The following Papers were laid on the Table:-

The 8th Report of the Public Investments Committee on the accounts of State Corporations, Volumes I and II.

*(By Mr. Githiomi)*

Annual Report and Accounts of the Coffee Board of Kenya for the year ended 30th June, 1995, and the certificate thereon, by the Auditor-General (Corporations)

Annual Report and Accounts of Ngera Tea Factory for the year ended 30th June, 1997, and the certificate thereon, by the Auditor-General (Corporations).

Annual Report and Accounts of the National Cereals and Produce Board for the year ended 30th June, 1997, and the certificate thereon, by the Auditor-General (Corporations).

Annual Report and Accounts of the Agricultural Finance Corporation (AFC) for the year ended 30th June, 1997, and the certificate thereon, by the Auditor-General (Corporations).

Annual Report and Accounts of the AFC Agency Seasonal Crop Credit for the year ended 30th June, 1997, and the certificate thereon, by the Auditor-General (Corporations).

*(By the Assistant Minister for  
Agriculture (Dr. Wamukoya) on behalf  
of the Minister for Agriculture)*

Annual Report and Accounts of the Coast Development Authority for the year ended 30th June, 1996, and the certificate thereon, by the Auditor-General (Corporations)

Annual Report and Accounts of the Kerio Valley Development Authority for the year ended 30th June, 1996, and the certificate thereon, by the Auditor-General (Corporations).

*(By the Assistant Minister for  
Agriculture (Dr. Wamukoya) on behalf  
of the Minister for Rural Development)*

### NOTICES OF MOTION

#### ADOPTION OF THE EIGHTH PIC REPORT

**Mr. Githiomi:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-  
THAT, this House adopts the Eighth Report of the Public Investments Committee on the accounts of State Corporations, laid on the Table of the House on 17th June, 1999.

#### APPROVAL OF TAXATION MEASURES

**The Minister for Finance** (Dr. Masakhalia): Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, the proposals relating to:-

- (a) Customs Tariffs
- (b) Excise Duty
- (c) Value Added Tax
- (d) Income Tax
- (e) Miscellaneous Fees and Taxes, contained in the Financial Statement for the year of account, 1999/2000 be approved.

*(His Excellency the President has signified his consent to this Motion)*

### ORAL ANSWERS TO QUESTIONS

**Mr. Speaker:** Mr. Badawy?

**Mr. Badawy:** Mr. Speaker, Sir, I have yet to receive a written answer!

*Question No.086*

#### NUMBER OF ALIENS WITH RESIDENT WORK PERMITS IN MALINDI

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

- (a) whether he could table a list of all the aliens in Malindi and Watamu who have been issued with resident permits between 1996 to date, enumerating their professional qualifications;
- (b) what the position of the Government is in regard to the issuance of work permits to aliens in Malindi and Watamu, especially in this period of high unemployment; and,
- (c) what immediate steps he is taking to protect the indigenous small scale entrepreneurs, whose businesses have been threatened by the influx of aliens who are setting up businesses in the area.

**The Assistant Minister, Office of the President** (Mr. Samoei): Mr. Speaker, Sir, I would like to request the hon. Member to check for the written answer because I have already dispatched a copy of this reply to him. However, I beg to reply.

- (a) A total of 1,685 aliens have been issued with entry work permits since 1996 in Malindi and Watamu.
- (b) The policy of the Government in the issuance of entry permits is as follows:
  - (i) To promote and support foreign and local investors.
  - (ii) To enable foreign investors to manage their investments.
  - (iii) To ensure that non-citizens with skills which are not available in our labour market are available and utilised.
- (c) To protect indigenous small-scale entrepreneurs, the Government issued work permits only to foreigners who have skills not readily available, or those who directly represent the interests of foreign investors.

**Mr. Badawy:** Mr. Speaker, Sir, I would have expected the Assistant Minister to be specific, particularly on the issue of work permits. That is the concern that I have. In any case, is he aware that there are Italian barbers, salon operators, photographers, studio operators, bicycle hirers and boat owners in Malindi? That is in dire contradiction of the current policy of the Government, where we are aiming at eradication of poverty. Could he liaise with the Minister for Finance to see how they could assist the small-scale entrepreneurs as indicated in the Budget Speech of this year?

**Mr. Samoei:** Mr. Speaker, Sir, I have taken into consideration the comments by the hon. Member.

**Mr. Badawy:** Mr. Speaker, Sir, I would like to appeal to the Assistant Minister to take this issue very seriously! This is not the first time I have raised this matter in Parliament. I do not know what the investigations section of the Immigration Department is doing, for allowing foreigners to engage in small-scale businesses, thereby displacing the wananchi. How soon is he going to carry out a snoop to find out how many foreigners are engaged in unskilled work and bring a report to this House?

**Mr. Samoei:** Mr. Speaker, Sir, regarding the individuals who are engaged in the kind of unskilled workmanship he has mentioned, I want to assure him that we will stick to the Government policy as we have done in the past. I want also to assure him that I have taken note of what he has said, and we will do something about it.

**Mr. Maitha:** Mr. Speaker, Sir, all foreign-owned businesses in Coast Province have jobs which can be done by Kenyans. For example, in some night clubs in Mombasa, like Mamba Night Club and others, those foreigners are managers of those clubs. They are even serving beer. They have brought their brothers to work in those clubs. The Office of the President has not made any effort to find out why those foreigners are doing jobs which can be done by Africans. Can the Minister now order a swoop on those clubs, or other areas, in order to make sure that foreigners do not engage in jobs which can be done by Africans?

**Mr. Samoei:** Mr. Speaker, Sir, I have taken into account the comments made by the hon. Member.

**Mr. Speaker:** Mr. Badawy, do you still want to pursue this? Okay, the very last one, Mr. Badawy.

**Badawy:** Mr. Speaker, Sir, can the Assistant Minister clarify to us who is solely responsible for issuance of work permits? As far as I know, even the Malindi Immigration Officer does stamp on the passports. The Mombasa office does stamp on the passports, giving what they call special passes, which allow these people to engage in any business very freely. Who is solely responsible for that?

**Mr. Samoei:** Mr. Speaker, Sir, the Immigration Department, under the Office of the President, is the one responsible for the issuance of work permits and all other related documents.

**Mr. Badawy:** On a point of order, Mr. Speaker, Sir. I specifically wanted to know who in [Mr. Badawy] the Immigration Department is solely responsible?

**Mr. Speaker:** Is it the person?

**Mr. Badawy:** Yes, Mr. Speaker, Sir. Is it the Principal Immigration Officer, the deputy or---

**Mr. Speaker:** Order, Mr. Badawy. We do not personalise offices. So, I will disallow that. Next Question.

*Question No.229*

APPOINTMENT OF KENYA AIRPORTS  
AUTHORITY DIRECTORS

**Mr. Gatabaki** asked the Minister of State, Office of the President, if he could explain to the House why there have been frequent changes of the Managing Directors of the Kenya Airports Authority (KAA) and what criteria is used in the appointment of the Chief Executives.

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

I am not aware that there have been frequent changes of the Managing Directors at the KAA. Since its establishment on 31st May, 1991, the KAA has had only three Managing Directors. The first Managing Director served for three years, from 1991 to 1994. The second Managing Director served for four-and-half years, from 1994 to February, 1999. The current Managing Director was appointed in February, 1999. The appointment of the Managing Director of the KAA is subject to Government decisions, in exercise of statutory powers vested on the Minister by Cap. 395, Section 6 of the Laws of Kenya.

**Mr. Gatabaki:** Mr. Speaker, Sir, if what the Assistant Minister has stated is, indeed, true, that the frequency issue does not arise, then I may rest my question on that. But I will pursue the issue of the criteria used by the Government to appoint Managing Directors of very important institutions. Can this Assistant Minister confirm to the House that the Government is serious in the appointment of people who are capable of managing an institution like this? In addition, the other day, His Excellency the President raised the issue about the poor management and performance of the KAA. Do we require the President, knowing how busy he is, to raise this kind of question? What criteria does this Government use to make sure that the people who are appointed are qualified Kenyans?

**Mr. Samoei:** Mr. Speaker, Sir, I have stated that the appointment of the Managing Director, not only of this Authority but of any Government parastatal or department, is in the exercise of the statutory powers vested, in this particular case, on the Minister of State, under Cap. 395 Section 6 of the Laws of Kenya. I want to assure Mr. Gatabaki that the sentiments of his Excellency the President on this particular issue were taken into consideration.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. Can this Assistant Minister be forced or

impressed to answer the question about the qualification and not the powers that the President has? What qualifications does the current holder of that office of the Managing Director have? What qualifications does Mr. Mureithi have to be the Managing Director of the KAA?

**Mr. Speaker:** The question is not about Mr. Mureithi; it is about the Managing Director.

**Mr. Samoei:** Thank you, Mr. Speaker, Sir. I think the issue here is the Managing Director of the KAA and not Mr. Mureithi.

**Mr. Ochilo:** On a point of order, Mr. Speaker, Sir. When the Assistant Minister was replying to this Question initially, he said that there have been three Managing Directors since the establishment of the Authority. I remember some time this year there was a lady called Ms. Janet Ong'era as the Managing Director. So, in my understanding, there have been four Managing Directors since the establishment of this Authority. Is the Minister in order to mislead this House that there have been three Managing Directors when, in fact, there have been four?

**Mr. Samoei:** Mr. Speaker, Sir, the lady in question, Ms. Janet Ong'era, was the acting Managing Director of the Authority. That was before Mr. Mureithi was appointed as the Managing Director.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. Did you hear it; that the Assistant Minister deliberately misled this House? There were other Managing Directors whom he wants to mislead this House about. Is it in order for this youngest Assistant Minister - I do not know what he wants to be in this Government - to keep misleading the House on things which are untruths?

*(Laughter)*

**Mr. Samoei:** Mr. Speaker, Sir, I think this House will believe me that there is a difference between a Managing Director and an acting Managing Director.

**Mr. Speaker:** Next Question, Mr. Obwocha.

**Mr. Obwocha:** But I had a question to ask him.

**Mr. Speaker:** Who told you that you had a question?

*Question No. 113*

UTILISATION OF TEA CESS IN NYAMIRA

**Mr. Obwocha** asked the Minister for Agriculture:-

(a) how much money the tea growers in Nyamira District paid in form of tea cess during the years 1993 to 1998;

(b) how the money was utilised; and,

(c) if he could give a breakdown on the use of the said deductions.

**The Assistant Minister for Agriculture (Dr. Wamukoya):** Mr. Speaker, Sir, I beg to reply.

(a) Tea cess paid to Nyamira District from 1993 to 1998 is as follows. Column one shows the year; column two, the local authorities which receive 20 per cent and column three shows district tea cess communities which receive 80 per cent and the last column is the total of column two and three.

In 1993---

**Mr. Speaker:** Lay it on the Table.

**Dr. Wamukoya:** Mr. Speaker, Sir, I lay it on the Table?

*(Dr. Wamukoya laid the document on the Table)*

**Mr. Speaker:** What is the total?

**Dr. Wamukoya:** Mr. Speaker, Sir, the total amount paid to local authorities from 1993 to 1998 was Kshs14,202,197.55. The total amount of money which went to district tea cess communities was Kshs56,880,789.75. The grand total is Kshs71,010,987.20. May I add that because of the court injunction in 1998, the last contribution was withheld. The total of this was Kshs498,431 for the local authorities, and Kshs1,993,724.05 for the district tea committees. The grand total was Kshs2,492,155.05.

As for parts "b" and "c" of the Question, I have referred them to the Ministry of Local Authorities and the Provincial Administration, Office of the President.

**Mr. Obwocha:** Mr. Speaker, Sir, you can see that the Question has not been answered fully and, therefore, I would like to request that in providing the figures, the Assistant Minister should liaise with the Ministries he is talking about here, so that he can give me a complete answer next time. This is because he has only answered part "a", and he is saying in his reply that he has referred parts "b" and "c" to the Ministry of Local Authorities and the Office of the President. So, can I ask that this Question be deferred until the right answer has been obtained from the relevant Ministries?

**Mr. Speaker:** Yes, you are right, Mr. Obwocha. We will defer the Question because you deserve a correct answer.

*(Question deferred)*

**Dr. Ochuodho:** On a point of order, Mr. Speaker, Sir. My point of order is that one would have expected the Assistant Minister to know what you have ordered today before he came here. Why did he not do his homework before he came here so as to give a comprehensive answer? We are concerned about the performance of Ministers and you have said that here. Should he not have obtained a comprehensive answer to this Question from the relevant Ministries before he came here? Now, that he did not bring a comprehensive reply to this House, what action will the Chair take against him?

**Dr. Wamukoya:** Mr. Speaker, Sir, first of all, I have already referred this Question to the relevant Ministries. Secondly, even if I get the answers from these Ministries, I am not competent to answer the Question, because I am not the Accounting Officer. That means that I am not accountable for the Ministry of Local Authorities and the Ministry of State, Office of the President. In fact, I am in charge of the Ministry of Agriculture only.

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

**Mr. Speaker:** Order! Order! It is totally out of order for us to continue with a Question that I have already deferred. There is nothing before the House now!

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. Again, we had a problem yesterday over the issue of cess. It has really not been determined even now as to the Ministry which is responsible for the administration of cess. In this particular case, it will involve three Ministries. Maybe, we need to get guidance from the Chair on a particular Ministry which should be designated to get the answers from the others and bring the answers before this House.

**Mr. Speaker:** Mr. Anyona, I am also handicapped because I do not know the Ministry the cess falls under. However, I have asked the Assistant Minister to get in touch with his relevant colleagues in order to get a proper answer, which he will give to the House in the normal manner of Government collective responsibility.

**Mr. Kajwang:** On a point of order, Mr. Speaker, Sir. Cess is a tax, and when it is collected, [Mr. Kajwang] there must be a law under which it is collected. If it is collected under the Local Authorities Act, we should know how the District Tea Cess Committee, which is under the Office of the Presidents, come in. You know, we are mismanaging this economy!

**Mr. Speaker:** Wait until it comes! Well, do not help me to mismanage the House by being out of order. Next Question!

*Question No. 194*

#### CONSTRUCTION OF MATHARE NYAYO HOSPITAL

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

- (a) why the construction of Mathare Nyayo Hospital in Kasarani Constituency has stalled;
- (b) what he is doing to curb the vandalism that is already taking place at the site; and,
- (c) what he is doing to regularise the ownership of the plot on which the hospital stands.

**The Assistant Minister for Health** (Dr. A.H. Wako): Mr. Speaker, Sir, I beg to reply.

(a) The construction of Mathare Nyayo Hospital in Kasarani Constituency has stalled since 1990 due to inadequate funding.

(b) As far as the Government is concerned, the site is still under the constructor since he has not handed over the facility to the Government. The constructor has, therefore, the onus of maintaining security at the site. The Ministry will ensure that the constructor maintains security so as to curb any further vandalism.

**Mr. Maitha:** On a point of order, Mr. Speaker, Sir. We fail to understand the use of the words "constructor" and "contractor". Can the Assistant Minister come out clearly? Is he referring to "contractor" or "constructor"?

**Mr. Speaker:** Mr. Maitha, which one do you think is the right word?

*(Laughter)*

**The Assistant Minister for Health (Dr. A.H. Wako):** (c) The Ministry of Health will obtain a title deed for the hospital plot once the current dispute, which is already in court, between the former owner and the Ministry of Health, is resolved.

**Mr. Shaaban:** Mr. Speaker, Sir, could the Assistant Minister tell this House why the contractor has not handed over the facility to the Ministry? This is because work on Mathare Nyayo Hospital has stalled since 1990. Why has the contractor not handed over the hospital to the Ministry of Health since 1990? Could the Assistant Minister tell this House whether the contractor is still claiming money every year because of being at the construction site?

**Dr. A.H. Wako:** Mr. Speaker, Sir, the construction of Mathare Nyayo Hospital, which is supposed to cost Kshs285,935,154, has not been completed. Today, only Kshs28,876,848.65 has been spent on the construction of the hospital. Therefore, the contractor cannot hand over the hospital to the Ministry of Health.

**Mr. Muchiri:** Thank you, Mr. Speaker, Sir. This is a very serious matter. This hospital is situated right at Korogocho slums, where there are poor people who cannot afford to pay Kshs15,000 which is charged in Nairobi, Mater Misericordiae and M.P. Shah Hospitals. Is the Assistant Minister aware that money has been voted by this House every year, since 1990, and it has not been spent? Could he explain to this House what has happened to the money? For his information, the Eighth Parliament voted K£5,000 for the construction of this hospital.

**Dr. A.H. Wako:** Mr. Speaker, Sir, it is true that in the last financial year, we voted K£5,000, which is equivalent to Kshs100,000, when we required Kshs250 million. So, there has not been a single time when enough money has been voted for the completion of the hospital.

**Mr. N. Nyagah:** This is a case of another white elephant in Kenya, and particularly in Nairobi. The former owner of the plot was compensated with two plots which have since not been given to him, but have been given to other people. Is the Assistant Minister telling us that the Government has no power to compulsorily acquire another plot in which we can have this hospital, so that it can benefit Kenyans?

**Dr. A.H. Wako:** Mr. Speaker, Sir, I seek the indulgence of the Chair. The matter of the plot is in court and, therefore, I do not think it is necessary for me to discuss this. Its file number is Nairobi HCC No.2473/98.

**Mr. Kiunjuri:** Mr. Speaker, Sir, this issue of hospital problems arising every other day--- The first duty of this Government is to make sure that our lives are safe. There is no way we can be safe if hospitals are not there. My question is: When will the Ministry vote the money to finish the construction, if they did not do it in this year's Budget?

**Dr. A.H. Wako:** Mr. Speaker, Sir, this is among the many stalled projects by the Government. As regards the Treasury's directive, we are trying to look at this project with a view to determining its viability.

**Mr. Keynan:** On a point of order, Mr. Speaker, Sir! I seek the guidance of the Chair. This very Ministry which the Assistant Minister is purporting to represent, before we adjourned the last Sitting, the Minister for Health was not here and an Assistant Minister in the same capacity as Dr. Wako, promised that the people of Wajir West, who had a problem, would be visited by a technical team from the same Ministry. The following day, when I visited the Assistant Minister, he said that was the responsibility of his Minister. So, I doubt whether the Assistant Minister is telling the House the truth because the Minister is not here. This Minister is notoriously never in the House to answer Questions!

*(Applause)*

It is high time we asked the Minister to give satisfactory answers to Questions. I feel concerned that what the Assistant Minister is saying here is neither relevant nor valid, and that is why we have been getting bogus answers from the Ministry of Health.

**Dr. A.H. Wako:** Mr. Speaker, Sir, I think the Assistant Ministers are competent enough to answer Questions on behalf of the Ministry.

**Mr. Muchiri:** Thank you, Mr. Speaker, Sir. Now that I have told the Assistant Minister that the people of Korogocho cannot afford to pay medical fees at Nairobi Hospital, can he explain to this House what is the policy

of the Government in relation to the poor people who cannot afford the costly hospitals in Nairobi?

**Dr. A.H. Wako:** Mr. Speaker, Sir, as I have said, that particular hospital has stalled like any other project in the country. Therefore, we are appealing to the Member of Parliament and the rest, that if they can fund or hold a Harambee to complete the construction, then it will be better.

**Mr. N.M. Nyagah:** Thank you, Mr. Speaker, Sir. It is very evident that the Assistant Minister is not aware that the President held a Harambee there and raised a sum of Kshs7 million. But because the matter is in court, we hope this Assistant Minister will be able to answer this question, although that white elephant has been vandalised by people. Can the Ministry force the contractor back on site, so that he can be responsible to the construction work which is already 18 per cent done?

**Dr. A.H. Wako:** Mr. Speaker, Sir, the contractor has actually promised to return there, and his two watchmen have actually been on the ground since 1990.

*Question No. 260*

IMPOSITION OF LEVIES BY MASAKU TOWN CLERK

**Mr. Katuku** asked the Minister for Local Authorities:-

- (a) whether he could explain why the Clerk to the Masaku County Council has introduced fees and charges without the approval of the council; and,
- (b) what action he would take against the Clerk, now that the business community has refused to pay those levies.

**The Assistant Minister for Local Authorities** (Mr. Mwakalu): Mr. Speaker, Sir, I beg to reply.

(a) The Clerk to the Masaku County Council increased fees and charges which had not been approved by the full council. This was the result of erroneous interpretation of Ministerial Circular MLA No.11/98 in which the Minister had given the approval for all local authorities in the country to either adopt a consolidated business permit, which automatically allowed them to increase the existing licence fees by 5 per cent, or to adopt a single business permit which allowed them to choose between schedules of licence fees approved by the Ministry. The Masaku County Council adopted the first option, which was that of the consolidated business permit, which automatically raised the fees by 5 per cent. Although the circular has not addressed the issue of user fees and charges, the clerk erroneously applied the 5 per cent on a number of items. Accordingly, the Minister has ordered the Clerk to degazette the erroneously increased fees and charges.

**Mr. Katuku:** Mr. Speaker, Sir, the Assistant Minister has not answered section (b) of that Question. However, I expect that he will answer it. This confusion was brought up by the Minister himself and the incompetence of the Clerk of Masaku County Council, who misinterpreted the circular. This resulted into bad blood between the chief officers and the councillors and, consequently, led to a lot of fighting. The councillors went round telling businessmen not to pay the charges and as a result, they were arrested and there are two cases pending in court. This was not the councillors' mistake. Can the Assistant Minister order the Masaku County Council to drop the cases of these councillors, to allow for the smooth running of Masaku County Council?

**Mr. Mwakalu:** Mr. Speaker, Sir, I would like to assure the hon. Member that, indeed, two mistakes do not make a right. The Ministry is going to accordingly pursue the sanity of justice and we are going to inquire with the Masaku County Council to do the needful, so that neither side is injured by that inadvertent error which happened.

**Mr. Wambua:** Thank you very much, Mr. Speaker, Sir. In reference to the Assistant Minister's answer to this Question, the Clerk did implement these increases of fees and charges without approval of the full council. Can the Assistant Minister tell us whether it was in order for the Clerk to implement such increases without going through the council for approval?

**Mr. Mwakalu:** Mr. Speaker, Sir, the normal procedure is that the Clerk must get a resolution of the full council to implement such measures. That is the normal procedure. However, and this is where the mistake actually occurred, the requirement for the single business permits which authorises the Clerk to increase by 5 per cent only, is a statutory requirement which does not need the approval of the council. But the council has to choose between the consolidated business permit and the single business permit. Either option has its own guidelines. The option chosen for the single public permit only requires the 5 per cent increase, and that is where the mistake happened. However, it did not require him to go through the full council. He has methods---

**Mr. Kiunjuri:** On a point of order, Mr. Speaker, Sir. The reason why this Ministry is confused is because it is harbouring one man, the Permanent Secretary, who is so corrupt that he is having a jacket with more pockets

for receiving bribes each and every day from the clerks to county and municipal councils. We have evidence that, that is exactly what he is doing. Each and every clerk in this Republic, especially the Clerk to the Nanyuki Municipal Council, cannot be removed. We cannot do anything to them. They do whatever they want because of this corrupt Permanent Secretary. Could the Ministry consider, in the public interest, retiring the Permanent Secretary in that Ministry, to save Kenyans and all the local councils and municipal councils?

**Mr. Mwakalu:** Mr. Speaker, I am saddened to hear allegations of that serious nature. I am, therefore, going to request the hon. Member to bring evidence to substantiate such serious allegations, which even the Permanent Secretary is unable to respond to directly since he is not a Member of this House.

**Mr. Speaker:** I think Mr. Mwakalu has raised a valid point. You have made a serious allegation against a public official who cannot defend himself or herself in this House. I think Members must exercise their responsibility, apart from just mentioning other people's names. It is a very heavy responsibility we have because we have given onto ourselves immunity against being sued for what we do or say here. That is a big privilege, which entails an equal amount of responsibility, that we do exercise our right to speak freely here with a lot of responsibility to other Kenyans. We do have to do that. The House must be careful next time. I think you are right, Mr. Mwakalu.

**Mr. Wambua:** On a point of order, Mr. Speaker, Sir. In far as the Assistant Minister is agreeing in this House that the Clerk chose the wrong option to use, which of course, was supposed to be passed by the full Masaku County Council, can he apologise, on behalf of the Ministry, to the councillors who have been taken to court and charged for nothing while they are fighting for the right implementation? Can he apologise to the Chairman?

**Mr. Speaker:** Mr. Chairman?

**An hon. Member:** To who?

*(Laughter)*

**Mr. Wambua:** Can he apologise to the Parliamentarians?

**Mr. Speaker:** Order! Mr. Wambua, you have no right to address that Member directly, and there cannot be any other chairman here. Would you like to respond to him, Mr. Mwakalu?

**Mr. Mwakalu:** Hon. Katuku---

**Mr. Wambua:** My name is Mr. Wambua.

**Mr. Speaker:** His name is hon. Wambua. Will you address the Chair?

**Mr. Mwakalu:** Sorry. Mr. Speaker, our Minister has already ordered the Clerk to the Masaku County Council to degazette the erroneously increased fees and charges. That is a technical admission of error, since the councillors in custody are there arising out of this initial error, it is logical on my part and the Ministry to undertake that responsibility to check on the facts of the case with a view to also erasing the second error, which emanates from the first. When that is done, then those wronged and those who wronged others, will have the reciprocal right to apologise mutually.

**Mr. Parpai:** On a point of order, Mr. Speaker, Sir. Now that the Assistant Minister has admitted that they had issued a confusing circular to the local authorities; not only is it confusing, but it has created problems and removed and taken the power of debating the budgets of local authorities to the Executives; can he now, having known his mistake, and seen what damage it has caused and how undemocratic that circular is, instruct and withdraw that circular, so that taxpayers' representatives can discuss their---?

**Mr. Mwakalu:** Mr. Speaker, Sir, the Ministry did not issue an erroneous circular. Circular No.11/98 was erroneously interpreted.

**Mr. Katuku:** Mr. Speaker, Sir, the Assistant Minister has deliberately refused to answer section "b" of the Question. What action is the Assistant Minister going to take against the Clerk who messed the whole issue in interpreting the circular? I would insist the Assistant Minister tells us the action he is going to take against this Clerk. This is not the first time he has done that. Last week, we were talking about a case whereby he was giving out a social hall to individuals. The Clerk has been in this council for the last ten years. Could the Assistant Minister take action by removing this Clerk from Machakos? Since the Assistant Minister has said that he has given the Clerk instructions to degazette some of these fees and charges, can he confirm that here, so that Kenyans can know, and especially in Machakos, what has been gazetted?

**Mr. Speaker:** Mr. Katuku, you are taking all the time.

**Mr. Mwakalu:** Mr. Speaker, Sir, I am amused, if not perplexed, that an officer who has been in a station for ten years is the subject of grumbling by an hon. Member who will be here for five years and probably more, and no one will question him about his tenure in this House. There is nothing illegal about an officer serving in a



station for however long.

**An hon. Member:** Is that correct?

**Mr. Mwakalu:** Mr. Speaker, Sir, since the Clerk increased the user fees and charges as a result of misinterpreting a directive from the Ministry, the Ministry does not intend to take any disciplinary action against him as he was acting in good faith.

*Question No.090*

COMPLETION OF KISII-CHEMOSIT ROAD PROJECT

**Mr. Anyona** asked the Minister for Public Works and Housing:

(a) why the construction of the Kisii-Chemosit Road (C21), which stalled in March, 1998, has not started as stated in the answer to Parliamentary Question No.524 of 12th November, 1998;

(b) whether the contractor, HZ Construction Company, was paid Kshs24 million by Treasury to enable him remobilise and resume works by January, 1999, as stated in the answer to that Question;

(c) why the contractor was paid Kshs115,492,478.40 when the work done was worth much less; and,

(d) whether the Ministry will provide Kshs819,804,445.38 in the 1998/1999 Supplementary Estimates, required for the completion of the project and ensure that the road does not stall again and the contractor continues until the project is completed by the year 2000.

**The Minister for Public Works and Housing** (Mr. Ngala): Mr. Speaker, Sir, I would like to beg that because---

**Mr. N. Nyagah:** On a point of order, Mr. Speaker, Sir. I just want to find out from the Chair whether our Questions have been deferred because we have not had the opportunity to ask them.

**Mr. Speaker:** They have not been deferred! I will tell you if and when they are. You remember, I deferred this Question yesterday. Looking at the clock, I am worried by the time. I may have to defer those other Questions. So, I take the ones that I deferred the other time, so that if I have to defer, I defer the fresh ones.

Proceed.

**The Minister for Public Works and Housing** (Mr. Ngala): Mr. Speaker, Sir, I would like to seek the indulgence of this House that, in view of the complexity of this Question, I be given more time to find out more details, so that I can bring a proper answer to this House.

**Mr. Speaker:** Yes, Mr. Anyona, what is your reaction to that?

**Mr. Anyona:** Mr. Speaker, Sir, the written reply I got from the Minister contradicts entirely, the answer which is the basis of the Question. This was going to break my heart and those of our Members of Parliament here and the Kisii community. So, I did consult with the Minister because I know he is innocent; he does not know the complexity of this matter. What is he going to do? He has decided on his own volition to take more time.

Mr. Speaker, Sir, the Question is so important that I will not be in hurry.

Thank you.

**Mr. Speaker:** Very well. Question deferred!

*(Question deferred)*

I have two other Questions which I am---

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. You can utilize the time because I have had consultation with the Minister concerning my other Question by Private Notice. I was going to ask you to defer it.

**Mr. Speaker:** Your Question by Private Notice?

**Mr. Anyona:** Yes, Mr. Speaker, Sir. So, you can use the time.

**Mr. Speaker:** Thank you very much. Mr. Norman Nyagah's Question?

*Question No.028*

ALLEVIATION OF UNEMPLOYMENT

**Mr. N. Nyagah** asked the Minister for Labour:-

- (a) since the current unemployment rate is of a national concern, how the Government intends to alleviate this phenomenon;
- (b) why the Government has been unable to maintain its promises of creating 500,000 job opportunities; and,
- (c) when the Government will achieve this goal.

**The Minister for Labour** (Mr. Ngutu): Mr. Speaker, Sir, I beg to answer.

(a) The Government has instituted a series of measures to alleviate the unemployment rate. These include: The formulation of a comprehensive National Employment Policy; establishment of a loan fund for university graduates for self-employment; youths and women development funds for income generating ventures; revolving credit schemes like rural enterprise funds for small-scale businesses in rural areas; revitalisation of the agricultural sector to stimulate the economy and enhance its capacity to absorb the bulk of the labour force; promotion of the Jua Kali and small-scale sector in order to create more job opportunities for school leavers; creation of Export Processing Zones and Investment Promotion Centres to generate jobs; tightening the administration of work permits and, finally, tapping of foreign employment opportunities among others.

(b) The Government has never made any promise of creating 500,000 job opportunities. These are only projections. However, it is intended that all necessary measures will continue being taken in the creation of as many jobs as is possible. It is envisaged that the private sector will take a leading role in employment creation, while the role of the Government will be to create an enabling environment for the private sector to thrive.

(c) In view of the answer to part "b" above, part "c" does not arise.

Thank you, Mr. Speaker, Sir.

**Mr. N. Nyagah:** Thank you, Mr. Speaker, Sir. While appreciating the very high profile dreams of what this Government thinks can alleviate the problem of unemployment in Kenya, more than 2.9 million Kenyans are unemployed and they are listening to the Minister right now, as he gives this answer. Some of them are out here. It is a fact that the Government introduced *Sessional Paper of 1992* which highlighted the importance of the *Jua Kali* sector and small-scale enterprises. Can the Minister tell this House how many Kenyans have benefited as a result of this, bearing in mind that this Government has been killing job opportunities rather than creating them?

**Mr. Ngutu:** Mr. Speaker, Sir, this Government realises that there is a lot of unemployment, and there is no doubt about it. This is not the only country with a lot of unemployed people, and the Kenyan Government is trying and has been trying, since Independence, to find ways and means of alleviating the unemployment situation in this country. It will continue to give this particular project a priority.

*(Several hon. Members stood up in their places)*

Mr. Speaker, Sir, I have not finished answering the Question.

**Mr. Speaker:** You are right.

**Mr. Ngutu:** Hon. Members are shooting up as if there is a war. We are not fighting with anybody here.

So, the Government is doing a lot more than what people see. We understand the seriousness of the problem and the Government will continue to do its work in fulfilment of creating employment for its citizens as and when the situation of our economy improves.

**Mr. Wamae:** Mr. Speaker, Sir, is the Minister aware that for the last couple of years, many Kenyans have been unemployed because of the collapse of industries due to the liberalisation of the Kenyan economy? What is the Minister for Labour doing to safeguard these jobs? What is he going to do, so that these industries are reopened and continue employing Kenyans?

**Mr. Ngutu:** Mr. Speaker, Sir, the liberalisation of the economy in general is a global problem and each government is struggling to find ways and means of finding other procedures to ensure that this trend does not continue. But, as at the moment, there is not much we can do. We will continue to discuss it at various fora, to ensure that measures are put in place to discourage dumping.

**Dr. Ochuodho:** Thank you, Mr. Speaker, Sir. Today, we seem to be having a lot of English language problems with the Front Bench. You heard the Minister talking about a difference between projections, promises and pledges. This is one Government which is notorious for promising things that it always fails to deliver. Points in mind are that, the Government pledged that this country will become industrialised by the 2000. They also

**[Dr. Ochuodho]**

pledged to provide water for all Kenyans by the year 2000. They missed all these targets, and now, they are telling us that we will be industrialised by the year 2020. **Mr. Speaker:** What is your question?

**Dr. Ochuodho:** Mr. Speaker, Sir, since this Government does not seem to deliver what it promises, can

the Minister tell us how many jobs they have created over the past one year through retirement within the Civil Service?

**Mr. Ngutu:** Mr. Speaker, Sir, I do not have the figures because this is done by another Ministry. It is the Directorate of Personnel Management (DPM) that deals with this. So, I do not consider that one necessary because the question was a general one, and there was no need for me to give that information, unless, of course, he wants to be given this information later.

**Mr. Speaker:** Time up! Next order!

### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

#### MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance on 10.6.99)*

*(Resumption of Debate interrupted on 16.6.99)*

*(The Fourth Day of Budget Debate)*

**Mr. Speaker:** Mr. Mutahi, you have seven minutes left!

**Mr. Mutahi:** Mr. Speaker, Sir, I will continue from where I left yesterday. I was talking about the few economic controllers of the economy of this country. I said, at the moment, the shilling has gone down to exchange at Kshs74 to the US Dollar. The dollar has risen in value because of the few economic controllers who bought all the dollars available in the country to create a shortage. Very soon, they will bring the Dollars back and sell them at Kshs74 to US\$1. They bought them at Kshs64 and now they are going to bring them back and sell them at Kshs74.

Mr. Speaker, Sir, it is a shame that when we had better roads in this country, the same Government we have here was in existence. We had good roads, and now, we do not have roads anymore. We had good hospitals, which we do not have at the moment. You would not be surprised if you went to a hospital for medical attention, and you were referred to a chemist to purchase Aspirin or Hedex tablets. Statistics show that the number of people losing lives because they cannot afford medicine is very high. It is only the rich people who are going to survive, with the current economic situation.

Mr. Speaker, Sir, this Government does not have priorities. The Government is supposed to draw a priorities list to be able to assist Kenyans. One of their priorities, for example, is driving big cars. If you remember, in the last financial year's Budget, Ministers and Permanent Secretaries were supposed to surrender some of the big vehicles. If they had done so, I believe all hospitals in the country would be having ambulances. The money spent on the maintenance and fuelling of those big vehicles is a lot. So, we are urging this Government to have a priority list, so that they can assist Kenyans.

Mr. Speaker, Sir, on imports, farmers in this country are growing a lot of vegetables, wheat and sugar-cane, but the market has been saturated by imports from South Africa. For example, the reply the Minister for Labour gave this afternoon on the dumping of---

**The Assistant Minister, Office of the President** (Mr. Samoei): On a point of order, Mr. Speaker, Sir. I would like to seek your direction and assistance. Bearing in mind the problem of drugs in this country, and the seriousness with which the Government takes on the growing of bhang and other related drugs, I would like to seek your direction because I have been unable to locate one, hon. Peter Ndwiga, who promised---

**Mr. Speaker:** Order! Order! Mr. Samoei, what have you done? I forgive you today, but next time, be careful!

Proceed, Mr. Mutahi! I will add you your time.

**Mr. Mutahi:** Thank you very much, Mr. Speaker, Sir. I was talking about the importation of commodities in this country, and I do not know how he comes in.

Mr. Speaker, Sir, during the COMESA talks, the President of this country said that there is an imbalance in imports and exports into and out of this country. What the Government is supposed to do is to increase the duty

and VAT on imported goods that we can produce in this country. I do not think there is anything wrong with South Africa having penetrated the local market. These goods enter into this country through the Port of Mombasa or Jomo Kenyatta International Airport. Most of the importers do not pay duty and VAT. They are, therefore, able to sell their commodities even at half price. So, it is for the Government to put their foot down and increase the import and export duty on the items we are growing. We have a lot of horticultural crops being dumped into this country, for example, tomatoes, pears and many others.

Mr. Speaker, Sir, a lot has been said about the stalemate in the constitutional review process. Since we have been told that the President has given his own opinion, I would also like to give my own. If it is for the Members of Parliament to sit down and change the Constitution, I support it, if only it is going to be brought to the level of the constituencies. In my constituency, for example, I have graduates, the civil society, women, church leaders and the youth. So, if that process can start at that level, all the 224 hon. Members of Parliament will participate in the review of the Constitution.

I also do not support the fact that the 13 nominees by Parliament to the Constitutional Review Commission are the only ones mandated to participate in the constitutional review. So, if the review exercise is to be left to the 224 hon. Members of Parliament, it should start from the constituency level, where we can organize committees which will take views from the people that will be compiled and later on, brought here by the Members of Parliament, because we represent all people. If there is any constituency which does not have learned people and the civil society, then that is very unfortunate.

Mr. Speaker, Sir, I would also like to---

**Mr. Speaker:** Time up!

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. You promised to add him two more minutes!

**Mr. Speaker:** I always keep my promise, and I have kept it. Mr. Parpai!

**Mr. Parpai:** Thank you, Mr. Speaker, Sir, for allowing me to contribute on the Budget Speech. The Budget Speech was fairly drawn, except, like it has always done, it forgot some very fundamental sectors of the economy, like the agricultural sector and, particularly, the livestock industry.

Mr. Speaker, Sir, we expected the Minister to dwell a lot on what he intends to do to improve the lives of the livestock farmers. I expected the Minister to tell us how many abattoirs he is going to put up, or how much money he is going to pump in to revive the already dead Kenya Meat Commission and the other outlets that livestock rearers used in disposing of their produce. It is very important if the Minister will take that sector very seriously because the majority of us depend on relief food. We can only get out of that syndrome if that sector is improved. Indeed, we want the Government to be serious on that. In the past, we used to have a Ministry of Livestock and that Ministry used to assist us very much. We used to have extension officers and drugs near the farmers, but today, those things are no more. We would like the Minister to assist us. Holding grounds require fences, dips and personnel. All that needs to be revitalized. We need the Minister to fence those holding grounds to keep away grabbers. As we talk here, those holding grounds are no more. We do not have places to hold our animals when they are awaiting sale. We want the Ministry of Finance to inject a lot of money into that sector, to assist us dispose of or improve our animals.

Mr. Speaker, Sir, I, like everybody else, wonder why this Government comes up now and again with very important policies which they do not implement. In fact, at times I ask myself whether these Ministers are really in charge of their Ministries because when they are asked questions here, they undertake to do a specific task, but that undertaking ends here. They do not take it to their offices. We ask ourselves whether they do not have power to implement, or they simply ignore it. My view is that these Ministers are incapable. They do not have power to implement whatever they undertake to do in this House. I would like them to do it. Like we all know, the kind of corruption that is taking place in this Government is massive. As we speak here, the KPTC, such a big institution, is not only broke, but people are busy grabbing land and stealing from that institution.

**Mr. Speaker:** What did I say yesterday, Mr. Parpai?

**Mr. Parpai:** I am sorry, Mr. Speaker, Sir. They are misappropriating land. As I stand here, I wonder because, the KPTC, which is already broke, is involved in a controversy where three highly-connected individuals have misappropriated and grabbed 250 houses in a posh area of this country. It is a shame that, that kind of grabbing can take place. It is even interesting that three people can take 250 plots. I would request the Minister concerned to take it upon himself and save that organisation and Kenyans from those grabbers. It is very serious that, that kind of thing is happening and yet, the Minister concerned, I am sure, if he is asked, will say he does not know about it.

Mr. Speaker, Sir, not only are those plots taken, but the previous day, we were told here that while the Government has frozen employment, 13,000 people were employed through the backdoor. What are we talking

about? We are talking of retrenchment when 13,000 people are being employed through the backdoor, without proper advertisement or necessity of their employment or any jobs being created for them. They are employed just because one is "John", and another is "Mary", and they are known to Parpai. These people should save us. There is no need to sack dear Kenyans for others to be employed. It is ridiculous and shameful for this Government to do that. We require fairness in all fields.

Mr. Speaker, Sir, it is also very interesting that the Government is prepared to spend several billion shillings to issue the youth with identification cards. The same Government has brought a very cumbersome procedure of acquiring new identification cards. In my constituency of Kajiado South, particularly in Loitokitok Division, the system that is put there is ridiculous. It is a way of keeping those young people away from getting identification cards. They have formed a vetting committee which is chaired by the District Officer (DO). It is too costly for those young people to travel from their destinations to the DO's office because of the vastness of the constituency. To make matters worse, the elders who sit in that vetting committee are not paid anything. They are expected to use their own money to sit for three or four days and then go back.

What kind of Government is this that has abdicated all its responsibilities, including education, health and identification cards? We heard the Minister for Health asking an hon. Member to hold a Harambee to raise money for building a hospital for the sick. What are we doing? If that kind of vetting should be done, then it should be taken to the sub-locations. It is too expensive for those young people. It is also very risky. We cannot entrust our daughters to be away for three days with the boys looking for an identification cards and we consider ourselves to be responsible. We need those vetting committees to be taken to the sub-locations which are nearer to the people.

There are certain districts which are not as small as we may think. These policies have come about because they are drafted here in Nairobi by people who do not have touch with the realities on the ground. I would like to appeal to the Minister concerned, if that vetting has to take place, it be done at the sub-locational level. Let the Government send some money, and if the DO must chair the meeting, he should go there and meet the applicants there. The process should also be a bit faster than it is now.

It takes six months for one to get an identification card. One keeps going to the DO's office, or to the Registrar of Persons in the division or district, to find out whether his or her identification card has been processed. It is important that, that process is made faster. Equally important, whoever is issued with a chit to await for the identification card should be told when his or her identification card will be issued.

Mr. Speaker, Sir, it is the same with the Land Control Board meetings. The Land Control Board meetings are becoming money minting grounds for the DOs of the areas concerned. It is interesting that, if you want to transfer land to somebody else in my division, you have to pay Kshs2,000 to the board.

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, thank you for giving me the opportunity to make my contribution. May I also draw the attention of the House to the fact that in yesterday's contribution by hon. Kajwang, he did actually make quite a number of accusations about me. He cast aspersions on a number of things about me, and it is clear also that the hon. Member decided to actually hijack the House by talking on a matter that is clearly *sub judice*.

Mr. Speaker, Sir, I want to refer to that matter, but I shall be very careful not to touch on the substance that is already in the court. I say so because as the Leader of Government Business, I should be the last one to wish to violate what is here.

**Dr. Ochuodho:** On a point of order, Mr. Speaker, Sir. Is the hon. Vice-President in order to accuse another Member of an offence that he himself, is committing? Do two wrongs make a right? How can he discuss hon. Kajwang?

**Mr. Speaker:** Order! Order! Dr. Ochuodho, I do not think any logic will permit you to make an accusation, and because two wrongs do not make a right, debar the other person from making a defence; unless, of course, you are, through the backdoor, trying to stop him from exercising his right.

Proceed!

**Mr. Ayacko:** On a point of information, Mr. Speaker, Sir.

**Mr. Speaker:** Overruled!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Thank you very much, indeed, Mr. Speaker, Sir. Democracy allows whoever is accused to be in a position to defend oneself. First and foremost, I want to say that in this House, we should refrain as much as possible from dragging the names of international institutions; that is, the IMF and the World Bank, in our own wrangles where things are *sub judice*.

Mr. Speaker, Sir, I wish to say this: The hon. Member said that it is hon. Saitoti who is preventing the

money from the World Bank and the IMF from coming here. Can he table the documents?

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

**Mr. Speaker:** Overruled!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I want to say that when I was not the Vice-President, how come the money did not come? I shall proceed, and I want to say this.

**Mr. Wanjala:** On a point of order, Mr. Speaker, Sir. Is it a personal statement or what?

**Mr. Speaker:** Order! Order! Even if it is a personal statement or a financial statement, a Member can say anything that he or she wishes. It is not up to you to decide what he says.

Proceed!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, there are three principal aspects of Goldenberg that are not *sub judice*. The first one is Kshs5.8 billion. This was effected in 1993, and I was not the Minister for Finance, and that is a fact.

The next aspect of the Goldenberg issue was Kshs13.5 billion, and I was not the Minister for Finance. I do not want to discuss about the substance, the demerits and the payments. That is what is in the court. The third one is about the 15 per cent additional export payments.

Mr. Speaker, Sir, I do have here, a statement that I shall read out and it states:

"The question of putting 15 per cent over and above the 20 per cent export compensation was as a result of a recommendation by an Inter-Ministerial Committee meeting consisting of the Office of the President, Ministry of Environment and Natural Resources, Ministry of Finance, Ministry of Commerce and the Attorney-General's Chambers".

It is on that basis that, that one was paid 15 per cent. It was a Government policy and not a Saitoti policy. I will go very quickly, and I am going to give you the document here. I am moving as quickly as possible.

Mr. Speaker, Sir, I must also say that to that effect, a letter was written to the Permanent Secretary, Ministry of Finance, by the Permanent Secretary in the Ministry of Environment and Natural Resources, conveying the decision of an Inter-Ministerial Committee. It states as follows:

"We conclude that the Kenya Government should pay a special export bonus to gold exporters of probably 18 to 20 per cent".

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

**Mr. Speaker:** Order!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I know that many people do not want to hear the truth, but they will hear it today.

**Ms. Karua:** On a point of order, Mr. Speaker, Sir.

**Hon. Members:** Shame! Shame!

**Mr. Speaker:** Order! Can I hear the Gracious Lady?

**Ms. Karua:** Mr. Speaker, Sir, it appears quite clearly that what the Vice-President is delving into is evidence that is badly required in court. Can he reserve it as a witness in court and help clear the air, instead of traversing the laws?

(Applause)

**Mr. Speaker:** Order! Order! We got into all these problems because, in the first place, hon. Kajwang was wrong and the issue should have been stopped in his tracks yesterday. He should have been stopped in his tracks.

**Hon. Members:** Why did the Chair not do it then?

**Mr. Speaker:** Yes, if the Chair did not, what I am now wondering, hon. Members, is that I am just trying to weigh in my mind, the principle of fair play and of natural justice. No person shall be condemned unheard, and I do not think it is right that we should, as I said just a few minutes ago, when hon. Kiunjuri laid a scathing attack on the Permanent Secretary for Local Authorities; I said that we should use the privilege responsibility of this House with responsibility. We must exercise our privilege with a lot of responsibility. As you said, yourself, Mr. Vice-President, you do not want to get into the rule of *sub judice*. Will you keep it away? Keep away from anything that is in court.

**Hon. Members:** Yes!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I know that people want the truth to be buried, but it will not be buried. The amount of money that

was paid, I am saying, was Kshs255 million. Every single cent was actually approved by this Parliament.

Mr. Speaker, Sir, in 1995, and this is a matter of this House, the House did pass the following resolution.

**Dr. Ochuodho:** On a point of order, Mr. Speaker, Sir. Yesterday, if I may recall, I said that there is this cloud of Goldenberg that is hanging on the head of the Vice-President. His mood and emotions today confirm that fact. Considering that this is the highest court on the land, and you are in the Chair, can you prevail on the Judiciary to hasten the Goldenberg court case? **Mr. Speaker:** Order! Order, Dr. Ochuodho. You know that when you are wrong, then you are wrong. This is not a High Court; this is a Parliament. Under the Constitution, the powers are separate. You make the laws and the court interprets them. You cannot assume that role. Can you? So, you are actually out of order. So, can we get out of this now?

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I was referring to the debate that took place here on the 6th April, 1995, when this House resolved to refer the matter to the court and in so doing, and I do quote the HANSARD, page 520 Volume II:

"The Government policy decision to grant export compensation to gold and diamond and jewellery was done procedurally".

I am reconfirming that, and it is a fact. I also want to say this because---

**Mr. Speaker:** Mr. Vice-President, can you now get out of this?

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I am finishing because I have a defence statement here, and this is only one "bullet", and there will be more if I am provoked.

Mr. Speaker, Sir, between 1997 and 1998, an investigation of the Goldenberg was carried out as required by the IMF. A report was prepared and as far as Saitoti is concerned, this is what the report says, and I was not even the Vice-President to be in a position to influence. It states the following:

"Prof. George Saitoti, as the Minister for Finance, approved the Goldenberg scheme of export compensation".

**Mr. Mwenda:** On a point of order, Mr. Speaker, Sir. The moment that we start having double standards, then we shall have no standards at all in this House.

(Applause)

Mr. Speaker, Sir, I speak as a professional lawyer and I know what constitutes *sub judice*. What the Vice-President is doing, is clearly *sub judice*. Can you, Mr. Speaker, Sir, insist that the Vice-President keeps away from evidence that constitutes *sub judice*?

**Mr. Speaker:** Yes, I so ordered. Keep away from the matters in court. Order!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I am going to keep away from court, and for the information of this House, I am not in court. The Law Society of Kenya (LSK) did not find any evidence. To finish up, the Minister for Finance approved the Goldenberg compensation. The investigation carried out revealed that he did this on the recommendation of public officials and committees appointed by the Government to look into the matter. No criminal intent could be imputed to him in those circumstances.

**Mr. Speaker:** Will you come back to the Motion on the Budget Speech now?

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I will do so because I want to contribute to the Motion. Here is my statement, which I am going to lay on the Table. Hon. Members can go through it and ask questions. I have other documents with more information. As I said yesterday, I am tired of these accusations.

Mr. Speaker, Sir, I do not think that these are accusations---

**Mr. Speaker:** What do you think? Order, now! Order! Hon. Saitoti, I think you have made your point now. So, you should leave that matter at that.

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, the Leader of Government Business cannot disobey you. So, I hereby lay this document on the Table, and hope that the Press will give it equal treatment.

(Prof. Saitoti laid the document on the Table)

Mr. Speaker, Sir, let me, within the remaining time, also take this opportunity to refer---

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. While the Vice-President and Minister for

Planning and National Development is clearing the air, he should tell this nation about the initial letter he wrote, approving the scheme when Goldenberg International wrote to him, before the Ministerial Committee met.

*(Applause)*

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Mr. Speaker, Sir, I would like to tell the hon. Member that the Ministerial Committee met much earlier. However---

**Mr. Speaker:** Your time is up, Prof. Saitoti!

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): Thank you very much, Mr. Speaker, Sir.

**Dr. Kituyi:** Thank you, Mr. Speaker, for giving me a chance to contribute to the Motion on the Budget Speech. When I came in this afternoon, it was my intention---

*(Loud consultations)*

**Mr. Speaker:** Order! Order, hon. Members! I am sure that the hon. Member for Kimilil deserves to be heard.

**Dr. Kituyi:** Mr. Speaker, this afternoon, it was my intention to suggest certain loopholes that need to be closed in order to approximate the ambitious revenue targets set by the Minister for Finance in his Budget Speech. However, it is very **[Dr. Kituyi]**

difficult for me to do that immediately after the contribution of the Leader of Government Business, who brought up the issue of the Goldenberg, but who has said a very fundamental thing.

*(Loud consultations)*

**Mr. Speaker:** Order! Order! Could we hear Dr. Kituyi?

**Dr. Kituyi:** Mr. Speaker, Sir, the Leader of Government Business has said that you can be in Government and be the Vice-President, but if you are not the Minister for Finance, any theft of public money is none of your business. In the final analysis, what we are being told is that there is no collective responsibility in this Government.

So, this implies that if there will be any problems in the implementation of the taxation measures promulgated by hon. Masakhalia, it is only hon. Masakhalia who should be held responsible; not even the Leader of Government Business can be held responsible, so long as he is not the Minister for Finance. This is very worrisome. What capacity does frail hon. Masakhalia have to enforce financial discipline in other Ministries, if he will have to carry the cross alone as Minister for Finance? There has been a very dangerous and sad line that is developing. A Government must be a Government; the Leader of Government Business must show that the Government is acting as the Government.

Mr. Speaker, Sir, I think it is unfortunate that a mistake was made yesterday, and another mistake has been made today. Yesterday, somebody was allowed to talk about a matter that is *sub judice*. Today, a similar mistake was made to allow another person to even delve more in a *sub judice* matter. However, for the purposes of Parliament, it is not acceptable for a Government to purport to be a Government if Ministers can say: "Nothing is wrong with my docket if somebody else's docket had a problem, although we were in the same Government".

In that case, what can hon. Members who are on the Opposition say? We are not even in that Government. What can we say we are voting taxpayers' money for? What can we say about a Government which accounts for the consumption of 25 per cent of every Kenyan's income? This country's 25 per cent of Gross Domestic Income (GDP) goes to a Government which will be shifting blame from one Minister to another.

A crisis is looming in our land; it has two facets. The first one is a crisis of confidence in parliamentary leadership from the rest of the population. There are many people in this country who, if today, they heard us say what we say, would not allow this parliament to decide how they are to be taxed. That crisis comes from self-denigration by Parliamentary leaders. If you cannot trust Parliament to make a promise and keep it, you will not want that Parliament to impose a tax on you. There are many facets to this crisis. When a Parliament enacts a law and starts inciting itself against the law even before the law is implemented, the way we are doing with the Kenya Constitutional Review Act, it does a lot to damage its own credibility.

*(Applause)*



Mr. Speaker, Sir, we cannot redeem our respectability as the people who decide how much Kenyans should be taxed if Kenyans cannot count on us to keep our word. We cannot justify claiming that our authority exists in this country, if we go through a circus like we did last year. Last year, for 14 months, we used taxpayers' money. We held several talks at the Bomas of Kenya and Safari Park Hotel, where everybody declared how much he supported what was going on.

During those talks, everybody committed himself to the review process inclusively. Then, just at the flick of the pen, we are turning round and insulting each other over a matter we had tackled. We are trying to institutionalise pre-reform negotiations because we are reluctant to embrace the consequences of the reforms. We now want to do what the late President Mobutu did in the former Zaire. For five years, he set up negotiations about how to sit in constituent assemblies; who should sit on each side; and how many people should come from each group, until President Kabila and others invaded the country and removed him from power.

Mr. Speaker, Sir, the political group that sits in Parliament as national leaders have a challenge to regain credibility as leaders of this country; it is painful. I have said that before; that, we keep on shouting at each other until religious people and some activists from None Governmental Organisations (NGOs) come and tell us: "Please, sit down". Then, under their auspices, we sit down; we look like kids. When the religious leaders and NGOs activists leave us on our own, we start abusing each other again. When we do that, how do we gain the right to preside over legitimate taxation measures on the same people?

Mr. Speaker, Sir, two years ago, we blamed everything that went wrong in this country on the *El Nino* rains. Last year, there were no *El Nino* rains. Even the fear of *La Nina*, the "sister" to *El Nino*, did not come true. Today, the infrastructure is still dilapidated; contracts are given out, but contractors do not complete the projects; people who misappropriate public funds are shifted to other portfolios; persons who Parliamentary Committees have recommended should never hold public offices have even been promoted to higher public offices. Now, we come back to the same people and tell them that we are their leaders and decide the future of this country, and predict for them the direction they are going.

Much as I would have liked to delve into the details of the Financial Statement, I think we have to face a much larger problem. The moment a significant category of young, unemployed persons, particularly university graduates--- In any capitalistic society, unemployed university graduates are the most important grave diggers of the *status quo*. They have nothing to lose.

Mr. Speaker, Sir, those who are sinking can never be told not to rock a boat. Those who are lying on their backs cannot be told about the ground being slippery. We are desperately expanding the category of such persons. I am glad that over the past two years, the Government has been talking about the crisis of poverty. We heard very interesting documents that were presented at Mbagathi. We heard very interesting discussions at the Regional Summit on Poverty at Gigiri. Both the former Minister for Finance and the current one have presented some statements, expressing concern about the growing poverty in the country. Up to this time, this country has refused to address the reality.

Mr. Speaker, Sir, in all political parties, there is no single group which has the capacity on its own to resolve the crisis of poverty in this country. The Minister for Finance should seek, within the Government, the energy, the commitment and the goodwill to facilitate all inclusive processes of addressing the threat that has caused the *status quo* of poverty. We can all be swept under! There are so many poor people in this country who today will celebrate any non-democratic change that removes all of us from any serious legislative position, because they believe we have proved we cannot resolve the poverty problem. The growing violence and popularity of bad manners in this country are all evidence of the failure of the political class to offer moral leadership and hope.

In the recent past, I have had occasion to address hon. Members of Parliament, and I said that one of the pillars on which multi-party democracy and liberal capitalism survive is a delusion; an ideology among the people that most of the population must have the myth, that next Christmas, they will have more food at their table than last Christmas. We have demonstrated to the Kenyans that there is no reason why they should hope that myth will come true for them.

Today, we celebrate the decline in Treasury Bills interest rates. The Minister for Finance even is gleeful about the collapsing of the Kenya shilling, but he also knows that once the Kenya shilling touches Kshs80 to the dollar, all his projections for the next financial year will be rendered impossible to attain. There is nothing he is going to do to stop it.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

We have been living a myth that the economy was doing well because we had a stable shilling. The shilling was cushioned by expatriates who were transferring their money into Treasury Bills. Once the interest rate is so low, they are taking away their Dollars. We have no substitute to those dollars. We have been living on borrowed money. Now, when we do not have access to that money anymore, we do not have anything to cushion the Kenyan currency. We have nothing to show why tourists should increase coming to Kenya today. With the infrastructure getting worse, we have nothing to show why multilateral donors should think twice about coming to this place. Under those circumstances, all we have to show is that we are opening up a market to Egypt as COMESA.

**Mr. Jirongo:** Thank you, Mr. Deputy Speaker, Sir. Last week, a Budget was read in this House that contained the normal statements we have heard from the Kenya Government for a very long time. If you noticed, for once, the Government said it owes contractors Kshs14 billion, and it is unable to pay that money. It added that it can only pay a contractor if it owed him less than Kshs1 million. It went ahead, and big projections of many billions of shillings were made. Are these paper Budgets that are presented in this House, or they are genuine projections? I say so because last year, for Lugari Constituency, there was a substantial amount of money set aside for rural electrification. Nothing was released! Again, today, there are very many projects that we are talking about funding, like filling potholes; we would want the Kenyan Government to tell us whether it has anything left in their kitty. All it does is to sit down, draw up a paper, come to this House, read it and purport that there is a Budget it is presenting.

(Applause)

Mr. Deputy Speaker, Sir, there are a few issues that some hon. Members have talked about. Some of them are issues like the Constitution. For this review process, there is an Act that was passed in this House. That is a law! What beats most of us is, how can a fellow Member of Parliament, who represents a constituency, come and give directive in Parliament on what should be done? We require today, the Attorney-General to implement what this House passed. One of the arguments the Member of Parliament is coming up with is that the Kenyan public does not understand what the Constitution is. When he assented to that Act, one of the in-built issues in the Act is that there will be massive education of the Kenyan public. Does he read what he signs or he just signs?

**Dr. Kituyi:** On a point of information, Mr. Deputy Speaker, Sir. Thank you very much, hon. Jirongo. I wish to inform you that when the Member of Parliament in question attended the Lancaster House Conference on Kenya's Constitution, in their HANSARD, he was only recorded among those "present". He never uttered a word!

(Applause)

**Mr. Deputy Speaker:** Order! Order! The Chair did rule that, in fact, you can say anything during the debate on Estimates. But strictly speaking, on this debate you must try to be relevant. Otherwise, there will be no occasion for you to discuss the Estimates if, during the debate, you are discussing the Constitution, what is not taken to your constituencies and other issues. Bring a Motion on the Constitution, but for the time being, we are discussing the Estimates. So, hon. Jirongo, you have said enough about the Constitution; be relevant to the debate!

**Mr. Jirongo:** Mr. Deputy Speaker, Sir, we are in a country that is run under a constitution and without a Constitution, we could not be reading a Budget in this House. I said that the Budget that was read in this House was just a "paper Budget" because, for instance, in Lugari Constituency, a culvert costing Kshs50,000, the Kenya Government cannot put it up. How can they stand up here and talk about a Budget of billions of shillings? Today, you were in this House when an hon. Member exonerated himself from issues that we are told are *sub judice*. If, at his level, and with the executive powers of the Ministry of Finance, he did not have the power to do it, then there is only one individual in this country who could have committed those crimes.

Mr. Deputy Speaker, Sir, it is irrelevant for us in this House to talk about corruption, simple Ministers and simple civil servants, when the Chief Executive of the country must, by implication, be the one responsible for the Goldenberg Scam. Today, the then Minister for Finance has denied it, and he has clearly said that he is innocent, and that there was a Committee that decided. Who else could have put that Committee in place if not the Chief Executive of the land? It is irrelevant for us to sit in this House and discuss corruption, when recently on television, we were shown machines that print passports, Government documents and a lot of things. The next day, somebody was charged in the courts for evasion of tax. Who is the owner of that machine? Has this Government contracted some people to be printing money, passports and Government documents? We have no

business to come in this House and discuss corruption when actually, we are continuing to be treated just as a department of the Office of the President. It is the only reason why an hon. Member like us can decide to direct Parliament and the Attorney-General on what to do. What we want today about the Constitution is the implementation of the Act we passed. This House passed the Kenya Constitution Review (Amendment) Commission Bill. The Head of State gave his assent so that the Attorney-General could implement the provisions of the Act. There is very serious desperation in this country. All of us are caught in trouble, both the innocent and those that are not innocent. Somebody who operates from River Road will take over this country.

*(Applause)*

Today, you cannot imagine the number of young families breaking up, simply because they cannot afford a meal or take their children to school. Any senior Kenyan you meet today cannot afford to take his children to school. What about the poor man at home? Yet, we come to this House and read the Budget Speech, where we increase the price of paraffin used by that poor man or woman, so that we can get that money to pay a private contractor to print Government documents.

Mr. Deputy Speaker, Sir, the way I view the whole thing is very simple. We must stop dealing with symptoms. As hon. Members, and as Kenyans at large, let us look at the source of the problem.

**An hon. Member:** And the disease!

**Mr. Jirongo:** And the disease itself is so clear. It is about a single individual in this nation.

*(Applause)*

It is not about the Ministers that we keep quarrelling about.

**Hon. Members:** Toboa! Toboa!

**Mr. Jirongo:** Mr. Deputy Speaker, Sir, if one is thinking of changing the Constitution and improving the economy of this country, it is impossible for anything positive to happen, as long as that manager is still the Chief Executive of this country.

*(Applause)*

If we have to make any sense, let us not censure the Government, because we have done that for a long time. Let us stop talking about corruption in this House. All of us know exactly what the disease is. Every day, we hear from this manager saying: "My Government." It has never been your Government, but an individual's Government. Every day we are being told: "I am the father of the nation." We are just children in somebody's house.

*(Applause)*

He can choose to give you food, or not. Somebody who owns a house - a Government - can do whatever he can with it.

Mr. Deputy Speaker, Sir, hon. Jembe Mwakalu said that if the current Constitution went into the hands of another person, apart from the current occupant of the Office of the President, then we would expect a lot of problems. In my view, it is the other way round. Anybody else can make sense out of the current Constitution. Any other chief executive can make sense out of the current Constitution, and this country will go forward.

*(Applause)*

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

**Hon. Members:** No! Aah!

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

**The Minister for Agriculture** (Mr. Mudavadi): Mr. Deputy Speaker, Sir, it is only fair that if an hon. Member is to be discussed, then a Substantive Motion should be brought in accordance with the Standing Orders. By implication, when one talks about the Chief Executive of the Government of this country, one is talking about the Head of State. The Head of State is a Member of this House. So, if there is to be a discussion on the Head of State, it requires a Substantive Motion.

**Mr. Jirongo:** Mr. Deputy Speaker, Sir, in conclusion, the alternatives available in order for our country

to move forward are very few. As far as I am concerned, we are running short of time.

*(Applause)*

The only way forward for this country is for the hon. Members, who are elected by Kenyans, to come up and decide, once and for all, that to end the problems that we have today, then we must remove the current Government.

That is all. Thank you, Mr. Deputy Speaker, Sir.

*(Applause)*

**Mr. Deputy Speaker:** Order, hon. Members! It is very well to drum the benches, but we must adhere strictly to the Standing Orders.

*(Mr. Maitha interjected)*

**Mr. Deputy Speaker:** Order, Hon. Maitha! Make one more interruption and you will present your speech elsewhere. Hon. Members, your Standing Orders state very clearly as follows:

"No Member shall impute improper motive to any other Member---"

*(Mr. Jirongo interjected)*

**Mr. Deputy Speaker:** Order, Mr. Jirongo! You do not even know which Standing Order I am reading. The Standing Order reads as follows:

"No Member shall impute improper motive to any other Member except upon a specific Substantive Motion calling in question the conduct of that Member."

Now, the interpretation of that is that the President of the Republic of Kenya is a Member of this House. So, if you want to discuss his conduct, you have to bring a Substantive Motion.

*(Several hon. Members stood up in their places)*

**Mr. Deputy Speaker:** Order, Mr. Ndwiga! Yes, Mr. Sambu.

**Mr. Sambu:** On a point of order, Mr. Deputy Speaker, Sir. In your interpretation of that Standing Order, are you implying that we should not discuss this Government? This Government is ruling us and we have to discuss it.

**Mr. Deputy Speaker:** Order! Nobody is stopping you from discussing the Government. But if you discuss a member of that Government, who is a Member of this House, then you can only be allowed to do so as per the Standing Orders. So, proceed, Mr. Ndwiga.

**The Assistant Minister for Transport and Communications** (Mr. Sankori): On a point of order, Mr. Deputy Speaker, Sir. I need your guidance on the following issue. What point is there for you to read the relevant Standing Order after the damage has already been done?

**Hon. Members:** Which damage!

**Mr. Deputy Speaker:** Order! Do you know, Mr. Sankori, that it is not only Mr. Speaker who has to be offended to invoke the right Standing Order, but you too are equally obliged to bring to the attention of the House any breach of our Standing Orders?

Proceed, Mr. Ndwiga.

**Mr. Ndwiga:** Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to say a few words on the Budget Speech. Before I make my contributions, an issue was raised in this House, concerning me. Yesterday, I did promise to take Government officials to Mt. Kenya Forest for them to see the bhanga fields. Indeed, this morning, I consulted with hon. Samoei, the Assistant Minister of State, Office of the President, and I told him that the mode of transport which he had put in place was not convenient for our mission. The Assistant Minister wanted us to go by road, but I did tell him that if we go by road, we will only see one little shamba and I wanted to show them all the shambas.

**A hon. Member:** How many acres?

**Mr. Ndwiga:** It is 1,500 acres. So, I did request them to avail helicopters to take us to that area. He

promised that he will give me the results of whatever arrangements he has got by today in the afternoon. Now, he comes to the House--- and this is part of the problem of the Government, which is lack of sincerity. The Assistant Minister now comes to the House and says that he has been looking for me the whole day and he could not trace me. Really, he is not an hon. Member, because when an hon. Member discusses something with another hon. Member and there is a promise, it becomes a commitment.

The issue of bhang and what is happening in Mt. Kenya today is not a matter to joke about. I still stand by what I said yesterday: Let the Government avail a convenient mode of transportation and I will take them and show them where the bhang plantations are located. That is a very serious matter, but it is regrettable that a Government Minister will stand in this House and trivialise an issue of this magnitude.

In our Parliamentary Committee, we did at one time say that we wanted to visit Mt. Kenya area to view the massive deforestation going on there. But till now, we are still being told that funds are not available. Parliamentary Committees must operate if we want to have a respectful Parliament. It is the first time for this Parliament to operate under the Committee system and that has helped to put the Government and the House in very close touch. Indeed, we have done very well with the various Ministries like the Ministry of Water Resources, Ministry of Agriculture and even the Ministry of Environmental Conservation. We urge the Minister for Finance to avail enough funds to Parliament so that Parliamentary Committees can operate properly. In the same breath, we also urge the Minister for Finance to consider availing adequate funds to the Minister for Environmental Conservation so that problems of growing bhang in Mt. Kenya Forest and deforestation in all our forests can be curbed. As a member of that Parliamentary Committee, I know that part of the problem, for example, is that in Mt. Kenya Forest, we have one unarmed guard to protect an area of 50 square kilometres. How can we have one unarmed guard in an area where drug barons are operating from? In the Mt. Kenya area, one unarmed guard covers over 50 square kilometres armed with a rungu. That is a joke! I urge the Minister for Finance to consider making available such funds.

Mr. Deputy Speaker, Sir, a lot of things have been said about the Constitution and this House during the last Budget did approve funds for the Constitutional Review process---

**Mr. Twaha:** On a point of information, Mr. Deputy, Speaker, Sir. I would like to inform hon. Ndwiga that there are, presently, armed guards guarding my premises in Mombasa. This, in my view, is unfair because our people are being killed by thugs in Lamu. The guards are there but they are being misused.

**Mr. Ndwiga:** Mr. Deputy Speaker, Sir, I think you are noticing that this House is becoming the kind of the House we want, where both sides of the House are free to air their views. We are "saved" in the Christian sense! The burden has been put down somehow. Hon. Members are now expressing their views the way they should as hon. Members of Parliament and not as Members of parties or individuals. What we have witnessed in this House today is a real revolution.

Mr. Deputy Speaker, Sir, we hope that the Constitutional Review Process will go on as planned and as passed by this House. I did hear the Head of Government last week when he was in Siakago telling Kenyans that Kshs4.5 billion is a lot of money and that if the Mbeere people were given Kshs100 million, they would be very happy. Can somebody tell us how much it costs the Head of State to take two helicopters and a motorcade of about 200 Mercedes Benz vehicles on the road and to transport civil servants who are not working, on that single trip? It must cost this country in excess of Kshs150 million. So, we want our leaders to start being honest. As long as we have people who are insincere - and as long as the vacant Siakago seat takes whatever was budgeted for the Ministry of Public Works and Housing in Embu because it has been shifted to Mbeere District to woo the people to vote for KANU - then what is the point of having a Budget? It is true that roads should be made in Mbeere District and many other things should be done. But do we have to wait for hon. Nyagah to die so that Gachoka roads can be made? In Meru, it was the same thing. During the by-election for Tigania West, the entire budget for Meru was taken to Tigania West. If you ask hon. Karauri, he will tell you that the roads in Meru are riddled with potholes. The people are now wondering whether they have to wait for a Member of Parliament to die so that the Government can wake up, and the people start seeing helicopters flying to their areas. Do we have to wait for that? No! We want the Government to respect its budget.

Mr. Deputy Speaker, Sir, you have noticed that all the hon. Members who are independent-minded and have contributed to this Motion do know that the biggest problem for this Government is lack of respect or commitment to its own Budget which is written and read here by its own Minister! I wish to join hands with those hon. Members who have said that we waste a lot of time blaming these gentlemen who are sitting in front here. These Ministers are not running this Government! This Government is a one-man affair! That is why all the corporations which make money like the Nyayo Tea Zones and the Kenya Wildlife Service have been put under the Office of the President. We are going to appropriate money here and nothing will happen. I have put this question before the Minister for Finance: Can he explain to this House why a corporation like the Nyayo Tea

Zones, which was established so many years ago is still being funded by the Exchequer while a farmer who planted tea at the same time as the Nyayo Tea Zones is now being asked to pay taxes to the Government? Can this Government honestly explain how we can rationalise that issue?

Mr. Deputy Speaker, Sir, this is an agricultural country but if you move around the coffee and tea growing areas, the Roads 2000 Programme which was to start 26 months ago has not started because of corruption. The Roads 2000 Programme has also been put under the Office of the President. All the money in this country has been put under the Office of the President. This President, one of these days, should have enough so that Kenyans can go on with their lives. Whatever we get here goes to the Office of the President and it does not come out! What kind of a pocket is this, that this President has got? It is, indeed, very sad and as taxpayers, we are very annoyed. So, the hon. Minister for Finance must know, that this country, if things do not change, will be talking to him from the streets.

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

**Mr. Twaha:** Mr. Deputy Speaker, Sir, I would like to congratulate the Minister for Finance for the good Budget Speech he delivered to the House and make my contribution to the same.

Mr. Deputy Speaker, Sir, I think there are issues which the Minister has neglected to address in his Speech but which are relevant at the moment. Among the many issues is the declining value of the shilling. The shilling lost 25 per cent of its value in a period of one month. We cannot talk of eradicating poverty when the purchasing power of the Kenyan citizens has been eroded at such a fast rate. Secondly, for us to realise a positive growth in this economy, there has to be investment, and for investment to be there, there has to be capital formation and for that capital formation to be there, we need to have profit-making businesses. The present situation is not conducive to business. We have got the Kenya Revenue Authority which wields enormous powers. At this moment, as we speak here, the Commissioner of Customs and Excise is a convicted criminal. He was cited for contempt by a court of law on 19th May. He defied orders issued by the High Court of Kenya. This gentleman is not clean! What moral authority does he have to inquire into and relief Kenyans of their hard-earned money? I would, therefore, call upon the Minister to replace this individual with a gentleman who is law-abiding, less dangerous, and in whose hands these powers will be safe.

**Mr. Deputy Speaker:** Hon. Twaha, I think you filed a Question on that issue.

**Mr. Twaha:** Has it been approved?

**Mr. Deputy Speaker:** Well, it has been approved.

**Mr. Twaha:** Mr. Deputy Speaker, Sir, I am just making a statement.

**Mr. Deputy Speaker:** Then, your Question becomes irrelevant!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, I withdraw that statement. I will wait for the Question then.

Mr. Deputy Speaker, Sir, in Lamu District where I come from, the people there are just at the "hunter-gatherer" stage of development; fishing being a form of hunting and harvesting of mangrove trees being a form of gathering. The sad thing is that the cutting of mangrove trees is prohibited unless you obtain a licence from Nairobi. Our youths have a lot of difficulties in getting employed, and this is one way to employ themselves and earn an income. But to obtain a licence, they have to come all the way to Nairobi. It would be nice if, through the District Focus for Rural Development Strategy, the licensing of cutting of timber was taken back to Mombasa.

Mr. Deputy Speaker, Sir, a lot has been said in this House by people who have newly-found morality. But Kenyans know who the real thieves and murderers in this country are. One gentleman---

**An hon. Member:** Toboa!

**Mr. Twaha:** Nitatoboa! There is one gentleman, who was the Chief Secretary in the 1980s, who was a big facilitator of sugar smuggling. Do you want me to name him?

**Mr. Deputy Speaker:** Yes. I want his name.

**Mr. Twaha:** Mr. Deputy Speaker, Sir, the gentleman I am talking about is hon. Nyachae!

**An hon. Member:** Can you substantiate?

**Mr. Twaha:** I did say that and I can substantiate!

**Mr. Deputy Speaker:** Sit down! You do not want to substantiate by telling me: "You should continue listening to hearsay." But I would like you to know that, not so long ago, I read to you the relevant Standing Order, which sets out the procedure, when you want to talk about another hon. Member in this House. If you want to talk about hon. Nyachae, you must bring a Substantive Motion. If you want to substantiate what you have just said before this House, I am asking you now to lay those documents on the Table. No further arguments! Lay the documents on the Table!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, you have given me the options of either substantiating, or

withdrawing and carrying on. I opt to carry on!

*(Laughter)*

**Mr. Deputy Speaker:** There are no two options! You have made a categorical statement about hon. Nyachae, who is a Member of this House. I am asking you now to substantiate what you have said! But if you want to continue on that line, you must do something further. You must bring a substantive Motion on hon. Nyachae's behaviour! So, first of all, substantiate what you have said by laying the documents on the Table.

**Mr. Twaha:** Mr. Deputy Speaker, Sir, I would rather move a Substantive Motion, but I do not think Kenyans would be willing to discuss historical matters. So, I will talk on something else.

**Mr. Deputy Speaker:** I am getting a little tired! You are either going to substantiate or withdraw and apologise! Those are the two options!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, I withdraw and apologise.

**Mr. Deputy Speaker:** No more reference to that one!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, no further reference! When the immediate former Minister for Finance had me dragged to court, he thought that money was just flowing into Kenya. He was forgetting that there are many other crimes which have been committed in this country, and which everybody is aware of.

Mr. Deputy Speaker, Sir, I hope you will order me to substantiate. When I was taken to court by the former Minister---

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

**Mr. Twaha:** Ngoja wewe mhe. Ndilinge!

**Mr. Ndilinge:** Mr. Deputy Speaker, Sir, is it in order for KANU members to start fighting among themselves? According to me, it appears as if there is a war between---

**Mr. Deputy Speaker:** Order! Order! Hon. Ndilinge, this is not a KANU House! This is the National Assembly!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, after the liberalisation in the early 1990s, opportunities for people to make easy money through exchange controls, import licensing, ordering the Treasury to issue import exemptions, and then having the file called to the Chief Secretary's Office and disappearing, came to an end. But we know how these people made their money. I think I still have a few minutes!

**An hon. Member:** Endelea!

**Mr. Twaha:** I am talking!

**An hon. Member:** He is annoyed!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, on Tuesday---

**Mr. Ndilinge:** Endelea!

**Mr. Twaha:** Wewe kaa chini! On Tuesday---

*(Laughter)*

**Mr. Deputy Speaker:** Order! Order! Hon. Twaha, you have no such powers, real or assumed!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, as we speak now, in the Coast Province, there are 4,000 jobs at stake at the Kenya Ports Authority (KPA). Those people are talking about retrenchment. This is because the volume of cargo has reduced substantially. Mombasa used to be the port of choice for countries like Uganda, Burundi, Rwanda, Zaire, Ethiopia, Sudan and others. Most of them used to export and import their cargo through Mombasa. But because of the new Commissioner-General, who was recruited from the private sector by the immediate former Minister--- I have asked the Taita people whether they know him, but they have said that they do not know him. He is a Mchagga! Now, cargo is being diverted to Dar-es-salaam!

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Hon. Twaha, you may have extremely good points that you would wish to make. But I will not allow you to continue attacking public servants who cannot come to this House to defend themselves. So, find a better way of putting your points across!

**Mr. Twaha:** Mr. Deputy Speaker, Sir, we are losing cargo---

**Mr. Nyachae:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to take wrong advantage of this House, to bring up issues linked to his involvement and arrest on sugar matters when I

was the Minister?

*(Applause)*

**Mr. Deputy Speaker:** Of course, he is not in order to do that! I have ruled that hon. Twaha must not bring in matters on which he accuses people who are not in this House, and who cannot, therefore, defend themselves. But even for Members who are in this House, he cannot attack their character unless he does so via a substantive Motion. I will watch very carefully what he says. The moment he goes out of that ruling, I will---

**Mr. Twaha:** Mr. Deputy Speaker, Sir, hon. Nyachae accused Dr. Masakhalia of not being brave. I am referring to his speech. He said that Dr. Masakhalia was not brave, but he was brave. But he picked on a newcomer like myself and left the big boys. I am wondering what bravery he was talking about. Mimi ni mtoto mdogo! Umenionea wewe!

*(Loud consultations)*

**Mr. Maundu:** On a point of order, Mr. Deputy Speaker, Sir. From the way the hon. Member is making his contribution, he has been accused of using the House for the purposes of staging a defence for matters that are *sub judice*. From his own contribution, it appears like he has run short of any substantive contribution to this House. Can he, for goodness sake, terminate his contribution for the day, until he considers something useful to tell this House?

**Mr. Deputy Speaker:** Well! The red light has terminated him! Mr. Anyona?

**Mr. Anyona:** Mr. Speaker, Sir, I am grateful for the opportunity to contribute to this Motion. I think, you as the Chair, and we as hon. Members---

*(Hon. Haji and hon. Twaha consulted loudly)*

**Mr. Deputy Speaker:** Order, hon. Twaha and hon. Haji!

**Mr. Anyona:** Mr. Deputy Speaker, Sir, for the sake of the integrity of this Parliament, and for the sake of this country, we ought to be conscious and aware of matters before this House. I think there are matters over which we can have light moments. But I think there are also matters which Kenyans expect us to handle with all seriousness. I am very concerned that instead of dealing with issues that face this nation as Members of Parliament, we would rather go for individuals and indulge in hearsay. I do think that the Chair, to start with, has got to be very firm, so that hon. Members could follow very strictly matters before the House. The reason why these provisions were made, that you can make allegations, is to be able---

**Mr. Muithia:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member on the Floor in order to insinuate that the Chair is not firm in dealing with matters before the House?

**Mr. Deputy Speaker:** He has to finish his point!

**Mr. Anyona:** Mr. Speaker, Sir, I did not say that the Chair is not firm; I said there may be need for the Chair to be even more firm to be able to deal with hon. Members like him. So, this Parliament is not for an individual; it is for this nation. Let me say this: If you listened to speeches that have been made about this Budget, they constitute grumbling. We grumble about roads, hospitals, water, electricity and so on. This is Parliament. People are complaining out there. Our people are in these galleries trying to hear messages of hope for the future. What will we do about their plight, education, unemployment, health and so on? As we sit here, our people are dying in Kisii of Malaria. It cannot be controlled even when we know all about it. That is what these matters are all about. But at the end of the day, we will debate for seven days and we will not have addressed these issues. I do not think the fault lies with the Minister. The Minister has come up with proposals, right, wrong or whatever you may think of them. But it is for us to tear them apart and put them together.

Mr. Deputy Speaker, Sir, I will not, therefore, join in the litany of complainants because I can start with Kisii-Chemosit Road, malaria in Kisii, the Ahero-Kisii Road and many other things, if I wanted to. Where will such complaints take us? I think we do, as Parliament, need to restructure the manner in which the Budget is prepared so that, from the very beginning, we are part of it. We come here to fine-tune it. We do not come here to run down the Minister or the Government, because that will not do any good thing for this country. If you noticed, when the Minister was reading his speech and the responses after that, one question that was missing in this year, unlike in many other years, was that the Budget did not have a particular theme ascribed to it.



Normally, we are told that it is a common man's or a rich man's budget, a development or a consumer's budget and so on. There was no theme this year. I do not know whether it was deliberate or otherwise. Then if you listened to the cacophony of the reactions or what we came out with, it was a mixed reaction. You could not tell whether it was a good Budget or not. From there, two things emerged; one, we have, therefore, even as Parliament, not identified the issues that face this nation. We have not formed some kind of consensus even as a Parliament, to say these are the issues that face this nation. Then, we can say that the Budget has not addressed these issues or it has not addressed them to this extent; and then provide what is missing so that we have a full Budget that we can go out there and tell our people: "You have a Budget for the rest of the year. So, let us get working."

**Mr. Deputy Speaker, Sir,** I think it is important also for us, as a Parliament, not to say that the Minister for Finance, or this Government, has not given us a good Budget and tell wananchi to go to the streets in mass action. That does not get us anywhere.

**An hon. Member:** Those are your views!

**Mr. Anyona:** Yes. These are my views and I have every right to give them. I will pay a higher price for giving them than any of these hon. Members who are interrupting me, including him.

**Mr. Gatabaki:** On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Member of Parliament to lecture this House on what a Budget ought to be, instead of making his own contribution?

**Mr. Anyona:** Mr. Deputy Speaker, Sir, let me go on. What I am saying is that we, as the leaders of this nation or Parliament, ought to come to some consensus as to what the issues that we face are and the solutions to our problems. That is what we are doing here. When hon. Members make various contributions, they are trying to look for solutions and that is why the Minister is busy taking notes. He is not taking notes of things which he has told us. He is trying to find out what he can fit in.

**Mr. Deputy Speaker, Sir,** the hon. Member says I am lecturing him. If he does not want to listen to my lecture, he can go. But the basis of a Budget is for economic and social management of our issues. In that process, everybody must be involved. Most of all, Parliament must be involved. The way Parliament gets involved in the Budget is by its Committees. We have a Finance Committee. We have said that let this Committee, from very early on, get involved in the process of formulation of the Budget in terms of ideas, issues and problems that should be addressed and how much money you need so that when the Budget comes here, this Parliament is part of it. The days when the Budget was a secret weapon of the Government upon its unsuspecting citizens are long gone. It is a question of partnership. We do, therefore, expect the private sector people to be involved in the process of Budget making so that the Minister knows what issues to address or use in the Budget, as a tool of addressing them. All this does not happen. That is why when we come here, we really have nothing to contribute, but we just complain and that is the end of it.

**Mr. Speaker, Sir,** I do want to request the Minister to involve all the so called stakeholders. He should involve the private sector and this Parliament because we have a Committee of Parliament which is supposed to be involved in the formulation of estimates. Please, involve them. After all, what secret is there about taxing us or telling us to pay Kshs1 more for kerosene? What do you gain after you have sprung that price on us? Is it not better that we are prepared or know what our people can take or what they cannot take? During these times of economic hardships, you must carry the people with you by involving them in the process of Budget making.

Having said that, let me say one more thing which I think is important. Everything we do in this nation hinges around the question of the constitutional reform. If we get the issue of constitutional reform wrong--- I am talking about "we". I am not talking about that side or this side of the House. I am talking about this Parliament and this nation. If we get the issue of constitutional reform wrong, this country is lost. The power of this Parliament, in terms of constitutional legislative functions, is very clearly stated in Section 47 of the Constitution. So, you cannot take it away. I know there are those people, like my friend Kamau Kuria, who say that this Parliament is not competent enough to carry out constitutional reform. Well, individuals may not be competent. Those individuals were brought here by the people and we can replace them, but you cannot replace Parliament. What we are saying is that Parliament, in its wisdom, decided to create a mechanism which would involve people in the process of the constitutional reform. That is how we passed that Act. One thing that we must tell Kenyans is that, that Act is irreversible. It was decided on before the last general election when we did not know whether KANU would win and turn its back on reform or whether this side would win the election and turn their backs on reforms. So, we said that we would tie their hands so that regardless of whoever won, the constitutional reform would move forward in the manner in which it is stated in the Act. If there is need, and there may well be a need, then we can adjust and fine-tune areas of disagreement. There is only one area of disagreement; that is the appointment of Commissioners by political parties.

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

**Mr. Haji:** Mr. Deputy Speaker, Sir, first and foremost, I would like to thank you for giving me this opportunity to contribute to the presentation by the Minister for Finance. I wish to wholeheartedly support the Budget. This is because, from the opening paragraph, it is clearly stated that the aim of the Budget is to speed up the implementation of the economic reforms in the country in order to deal with poverty as well as unemployment which we are currently facing.

I would like to deviate from what most hon. Members who have spoken here before have said. Rather than criticise the Government, I would wish to congratulate it, because we all know that agriculture is the backbone of the economy of this country.

The Minister, in his Budget Speech, increased duty on importation of a wide range of agricultural products, including livestock products from 15 per cent to 25 per cent. I believe that this will assist our farmers to sell whatever they produce. Along the same line, I would like to suggest that the Government should make an endeavour to introduce soft loans for our farmers in order for them to double their production. We know that we have very hard working farmers, and all that they need is a little support from here and there.

I would also like to recognise the fact that most of the labourers and the office workers normally do not go for lunch. The fact that the Value Added Tax (VAT) has been removed from bread shows very clearly that the Government wants to consider our poor people. We also know that most of the small-scale farmers are based in the rural areas of our country. The small-scale farmers are none other than the indigenous people. The requirement for them to register for VAT--- Payment of the VAT has been a headache to them because most of the traders do not really know how to keep books of accounts. They also do not know the rules and the regulations which govern the VAT. So, it is really a very welcome move for the Minister for Finance to increase the requirement for payment of VAT from 2.4 million turnover to 3.6 million turnover.

The small-scale traders in the rural areas are the people who basically contribute towards Harambee in those areas. They are also the ones who contribute towards Harambee for funerals that are aired on the radio and screened on the television. It will be useless for us to stand up here and criticise the Government without giving tangible ideas and suggestions on how we can come out of the present recession, and also increase employment opportunities in this country.

Mr. Speaker, Sir, I want to say that we have a huge military airstrip in Wajir District, which can be converted to a civilian airport. I am saying this because we do not need to be in Mombasa or in Nairobi to enjoy the duty free facility. We will reduce air travelling to most parts of the world by nearly two hours if we open up Wajir Airstrip and also introduce a duty free zone like it is the case in Dubai. The climate in Dubai is not different from that one in Wajir District. All the roads will lead to Wajir District, if we declare this district a duty free zone like any other country that is prospering. I believe that this will create employment opportunities in North-Eastern Province. This will also enable us to take the people who are idle here in Nairobi to work in those areas.

Mr. Deputy Speaker, Sir, I would like to dream further and suggest that we should harness the resources that we have. For example, all the rains water from up-country disappears into Habasweini, which is in Wajir District. This water goes underground and it is being used both in Wajir and Mandera Districts. This is because the people in these districts drill wells in order to get their water, because there are no rivers in those areas. If we can harness the water which sinks into the ground, then we will open up a large area of our country for agricultural production, and we will be much better than the people of Israel, where the land is rocky and sandy. We have good soils in North-Eastern Province. I would like to suggest strongly that everything possible should be done to open up those areas so that we can create employment opportunities, and also have sufficient food not only for ourselves, but also for export.

The other area that I would like to touch on is that people tend to speak about roads. When they speak about roads, they always have in mind tarmac roads. We do not have tarmac roads in the whole of North-Eastern Province because our country is vast land. All that we need in this country is good murrum roads. Murrum roads, if properly maintained, can be better than tarmac roads on which we spend a lot of money under Development Expenditure Vote to maintain them. Most of the tarmac roads in this country are now impassable because we do not have enough money to rehabilitate them. If we had murrum roads, it would have been very cheap to rehabilitate them after the rainy season. In this way, we will create employment opportunities for our people. Why should we clamour all the time for tarmac roads which are very expensive to construct and maintain?

Mr. Deputy Speaker, Sir, we can also create employment opportunities if we divert the money that we use to buy fuel and the profits that go to the contractors to pay casual labourers. These labourers will work on our roads manually so that we can have roads which are accessible all the time.

I will not forget the fact that a lot of water flows through Tana River into the sea. If we introduce small irrigation schemes, we will give employment to many people. This will enable the people who live in North-Eastern Province to engage in agricultural activities instead of depending on famine relief food all the time.

I would now deviate from the Budget Speech and contribute to the constitutional review process. We know that drastic measures were taken in 1992, when Section 2(A) of our Constitution was repealed. The occupancy of the Presidency was reduced to two terms, that is ten years. I wonder whether people have a very short memory, or whether they want to make themselves blind so that they cannot see this fact and truth. When these drastic measures were taken, no Commission was appointed to go round the country to seek the views of Kenyans. We never spent Kshs4.5 billion to repeal Section 2(A) of our Constitution. I am wondering now that people are advocating that we should spend Kshs4.5 billion to take a few people around the country to gather the views of Kenyans.

In every country in this world, the supreme law making body is Parliament. Therefore, Parliament should be given a chance to discuss the Constitution of Kenya. If need be, this does not mean that members of the public are being excluded from giving ideas and suggestions on how our Constitution should be amended. Even questionnaires can be made available throughout the Republic to be read in churches, mosques and other public places so that Kenyans can give their views on how the Constitution should be changed. This question of people going to the streets is unfair. We cannot continue lamenting that our economy has collapsed when we encourage mass action in this country. We want tourists to visit this country. We also want foreigners to come and invest in this country. There is no way people can invest in a chaotic country. People should stop misusing the freedom of expression.

**Mr. Muithia:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech.

Mr. Deputy Speaker, Sir, I would like to dwell mainly on corruption. Everybody has been talking about corruption and it appears we are not getting a way out to eradicate corruption. Corruption is two-fold. We have corruption which is perpetuated by the poor man for survival and I believe they will continue with the corruption for survival. The other form of corruption is that of the ruling class, those in position, who are taking money and messing up the economy for their survival, so that they can remain in positions of leadership. As regards the corruption by the small man, especially in the Civil Service, the only way to stop it is to pay our civil servants enough money to be able to meet their needs from the beginning to the end of every month.

A graduate in this country takes home between Kshs6,000 and Kshs12,000. A Form Four leaver takes home between Kshs3,000 and Kshs6,000. Yet, we expect him to perform his duties without knowing how he is going to balance his own budget. The minimum medical cover that a civil servant is able to buy for his five members of his family is Kshs3,625. The NHIF contribution per night for the bed only, is Kshs650. When a person falls sick and is taken to hospital, the doctor's fee is between Kshs20,000 and Kshs100,000. The bus fare for that individual from home is about Kshs1,000 counting 25 days for Kshs20 one way, per day. Unless we pay our civil servants properly and take the Civil Service Reform Programme seriously, so that we have a good size of civil servants whom we can afford to pay, then we shall never stop them from being corrupt. In fact, they are not corrupt. They are only trying to make their ends meet. How do you expect that person who lives in Kayole, Dandora or Mathare North or in the slums, to take their children to school if we do not pay him well? That type of corruption is what I call corruption of survival and we must pay them well to eliminate that corruption.

Mr. Deputy Speaker, Sir, I also talked of corruption in the high offices, where a few in the ruling class are amassing wealth, so that they can continue down-treading on Kenyans. This is the class that has taken money out of this country. This is the class of people who are able to manipulate tendering systems, so that they can amass enough wealth. Out of that, we have agreed that we need the Kenya Anti-Corruption Authority (KACA) to be able to investigate and bring to book those people who are involved in massive corruption deals. But then, we leave the appointment of the Director of KACA to the President. The Director has no security of tenure and you expect him to go and investigate Raymond Moi who was involved in major corrupt deals in Kenya Co-operative Creameries.

**Mr. Deputy Speaker:** Order! Hon. Muithia, we are discussing the Estimates and you have only been discussing corruption. Please, I want some bit of relevance from you.

**Mr. Muithia:** Thank you, Mr. Deputy Speaker, Sir. I think we need to help the Minister to manage the economy by eliminating corruption. So, I think this is the most important part of the Minister's duty. Kenyans are now so poor that they have nothing to lose by going to the streets, but they have everything to gain by going to the streets and remove this Government and bring in their own Government.

Mr. Deputy Speaker, Sir, let us look into the expenditure and implementation of our Budget. During the last Financial Year, this House voted K£6.85 billion to rehabilitate tea and coffee roads. In Gatundu Constituency, which I represent, we grow tea and coffee. Not a single cent was spent in Gatundu to rehabilitate our tea roads. I am asking the Minister for Finance to make sure that this year, since the same amount of money has been voted again, to tell us how much has been allocated and utilised in every constituency which grows coffee and tea.

Mr. Speaker, Sir, on the constitutional reforms issue, Members of Parliament swore to defend the Constitution of Kenya. We did not swear to make the Constitution of Kenya. The Constitution of Kenya is a property of all the people of Kenya who will sit and decide that: "We, the people of Kenya want to be led by our Government in this particular manner." We, therefore, cannot renege on the promises we gave to Kenyans, to review their own Constitution. I think we have been wasting time. Let us go to the people and organise them in a manner that they will give us information and then, we can deliberate on that information in this House.

Mr. Deputy Speaker, Sir, the Budget does not seem to seriously look into ways of alleviating the problem of street children. Everybody has gone round this country and you will realise that street children are increasing and they are becoming a total menace. We must look at their plight as our own. Unless the Government brings to this House a Sessional Paper or a Bill to work out the modalities of making these children responsible citizens, we will be wasting a lot of time. I would like to ask the Minister for Finance to go back and look into ways of rehabilitating street children, of course, with the help of the Government.

Mr. Deputy Speaker, Sir, I would like to commend a few Ministers, who are taking their work seriously. But majority of them are not taking their work seriously. We want to see implementation in every Ministry, rather than some Ministers going round propagating politics of KANU. We want politics of development and we shall support every move that they make in that direction.

On the health sector, the Aids scourge is very massive and unless the Government checks on it through the Ministry of Health, we are going to have a country without people. Budget has very little to offer in that direction. I hope that the Minister is going to look into that.

Finally, concerning KCC, we are talking about Western Rift Valley and Eastern Rift Valley. At least those who have stolen from KCC before must be brought to book. I hope the President is going to address the milk industry on Saturday as a farmer and not as a person interested in taking over the industry. If he does support the farmer so that we revise the KCC there will be enough money to pay the farmers because dairy farmers are to be found everywhere in this Republic. I hope we are not going to sell our heritage and our resources to others.

With those remarks, I beg to support.

**The Assistant Minister for Energy** (Mr. Manga): Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to contribute to this Budget Speech.

The Budget Speech was well presented by the Minister although he had difficulties because of the interruptions we had. I want to emphasise on the Budget itself. This Budget was well thought of. It was a very good Budget under the prevailing circumstances. It was oriented towards the eradication of poverty in this country. I must congratulate the Minister for having found some thought to even go down and reduce taxation for the lower income people and also to reduce company taxation by two and a half per cent which was very much recommended. I am sure that the Minister wanted to encourage the investment so that poverty can be reduced in this country.

I must say that the Kshs400 million that the Minister proposes to use for poverty eradication is actually supposed to buy cheap medicine and fertilizers for the peasant farmers without straining themselves and to be able to come out of poverty. Having said that, I want to say that this afternoon, as I was sitting here, I listened to some of our Members who are driven by hate. They actually uttered words that can lead to a very serious situation in this country. I could hear one Member here attacking the former Minister for Finance. He talked about him with anger and hatred. As hon. Anyona said, I do not think we should be talking of others if we are leaders of this nation. As Members of Parliament, we are expected not to encourage hatred especially against an individual. I was surprised to learn that in this House somebody can stand up and say that in order to put all things right in this country, we must join hands and remove the Chief Executive. That, as far as I am concerned, would lead to treason. We are not talking about the Government. We are talking about the Budget.

**The Vice-President and Minister for Planning and National Development** (Prof. Saitoti): On a point of order, Mr. Deputy Speaker, Sir. I rise because the hon. Member has said that there is an hon. Member here who made these allegations clearly knowing very well they were contrary to the Standing Orders because he was agitating for the overthrow of the Government. Could the hon. Member name that hon. Member?

**The Assistant Minister for Energy** (Mr. Manga): Mr. Deputy Speaker, Sir, it is hon. Jirongo who actually said that. He said and repeated that many times.

**Mr. Munyasia:** On a point of order, Mr. Deputy Speaker, Sir. You can see the trend of the debate now that the Government side wants to discuss a Member of this House without bringing a Substantive Motion. You have already ruled out---

**Mr. Deputy Speaker:** Order! They are not doing anything of the sort. They are merely referring to the speech he made in the House. That is perfectly in order. All I am saying is that he should not be answering the

Member's speech. He should be making his contribution rather than making merely reference to what the Member said.

**The Assistant Minister for Energy** (Mr. Manga): Indeed, I am making my speech and I must say that, without mincing words, any reasonable person will clearly understand that when you are censoring an individual and you call him a chief executive of the nation, you are talking about removing that chief executive who has been properly elected and constituted. We have a Constitution that we are trying to put right and you want to say that you will go against that Constitution and remove by all means that chief executive and even the Government. You are brewing hatred. You are saying that this individual must go by all means. Where does that lead to? If it is possible and I think all that was spoken should be expunged from the HANSARD and even from the Press because that is a very dangerous remark which is completely against the Standing Orders---

**Mr. Mwenda:** On a point of order, Mr. Deputy Speaker, Sir. I thought you have just ruled that it is out of order for a Member to answer another Member. The hon. Member continues making statements attacking another Member. He is not making his own contribution.

**Mr. Deputy Speaker:** Proceed.

**The Assistant Minister for Energy** (Mr. Manga): Mr. Deputy Speaker, Sir, I am not answering anybody. That was not a question; it was a statement.

**The Assistant Minister for Finance** (Mr. Arap-Kirui): On a point of order, Mr. Deputy Speaker, Sir. My Point of order relates to your earlier ruling when you did rule that discussing a Member of this House without bringing in a substantive Motion is out of order. I am now seeking your guidance. If somebody has stated something that is out of order are we not entitled to expunge that contribution out of the records of this House? That is what we are demanding.

**Mr. Deputy Speaker:** You are eating into hon. Manga's time and that is my problem. Hon. Jirongo did say a lot of things. If you had addressed it at that time when his words were still fresh in mind, I would have given a definite ruling at that time. Now, I really must ask that I be given time to go and look at the HANSARD and see what are those offensive words about which you are complaining about before I can give a considered ruling. Proceed hon. Manga!

**The Assistant Minister for Energy** (Mr. Manga): Thank you Mr. Deputy Speaker, Sir. I would like to conclude by saying that, it is proper that this House is left to expose or do whatever is right to do. I think it will be wrong to start brewing hatred within this House while we have problems out there. We need the guidance of the Chair on this matter. I am sure with the wisdom of the Chair, this issue will be handled properly.

I want to say that my people in Kuria will expect this Budget to give them something. We will want to make sure that the civil servants and all the players use the little money that is given out of this Budget to provide services to the people. I know that year in, year out, we speak about money given out and yet that money being is not used for the purpose it was intended. Projects are planned, but there is no money which goes to them. We would like to ask the Minister to make sure that all this money that is allocated reaches the people as the DDCs plan for it.

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

**Mr. P.K. Mwangi:** Thank you Mr. Deputy Speaker, Sir, for giving me this chance to contribute to the Financial Statement read in this House by the Minister for Finance.

The Budget day was a regrettable day to this nation. Kenyans had a fight with the Government which purports to protect them. The Minister went ahead to read the Budget when our people were dying outside this House. It presented a very bad picture of this Government and it clearly showed that it never represents the will of the people.

**Mr. Munyasia:** On a point of order, Mr. Deputy Speaker, Sir. Did you hear the hon. Member say that on the day of the Budget, there were Kenyans dying out here? Could he be called upon to substantiate how many people died during that day?

**Mr. P.K. Mwangi:** Mr. Deputy Speaker, Sir, it was clearly covered in the following day's newspapers how Rev. Njoya was beaten up. Although he did not die, he was hospitalised and today he is in hospital.

**Hon. Members:** He is not dead! He is alive!

**Mr. Deputy Speaker:** Order! Order, hon. P.K. Mwangi. Hon. Munyasia pointed out that, as an hon. Member, the Standing Orders require you to be responsible for the accuracy of the statements you make in the House. So, make accurate statements which you can support with facts.

**Mr. P.K. Mwangi:** Mr. Deputy Speaker, Sir, I withdraw the word "die" and substitute it with the word "maim". The Budget left a lot to be desired. It did not cater for the agricultural sector in this country. If we are serious about eradicating poverty in this country, it is the responsibility of this Government to promote agriculture

which is the backbone of the economy of this country. Nothing was read in the Budget that could promote agriculture.

Mr. Deputy Speaker, Sir, I expected the Budget to do something about my constituency which is an arid area and nothing of the sort came out. We need to irrigate our land and I think the Minister should have encouraged such activity in my area. If you go through the Budget Estimates, you will see that the Minister is allocating more money for Recurrent Expenditure; to cater for salaries and others, leaving Development Expenditure with less money.

The security situation in our country cannot promote the economy. As I speak in this House, one of my constituents is at the Central Memorial Hospital, having been shot by thugs. We have been asking this Government to provide us with security within our area. My people are dying day in, day out, due to insecurity. My traders cannot do anything. Even myself, I have run away from my house because of insecurity within that area. We have only one police station in Makuyu Division. We do not have any other police post to cater for the security of our people in that area. Insecurity in this country has been promoted by the Government itself. The police officers have been discriminated against. If you travel on the roads, you will find 30 policemen who are not properly trained whereas we have properly trained police officers who can man our roads. We have uniformed police within the police stations whom we expect to do the work they have been trained for but they are not given that chance. That is a shame to this Government. It has created discontent among our own security officers to the extent that they are now behaving like criminals.

Mr. Deputy Speaker, Sir, on education, school fees are quite high. Day in, day out, each Member of Parliament has to conduct an Harambee in order to educate our children. This Government is not assisting students from poor families and, therefore, they have been reduced to illiterates. The Government itself is looking upon Members of Parliament to assist those students as if what we are earning here is for giving out. The taxpayers do not pay tax to Members of Parliament, but to the Government of Kenya and, therefore, the Government must do something for them.

Mr. Deputy Speaker, Sir, the other day, I went to Coast Province and I found a classroom without a desk. When all is said and done, we have had Independence for 36 good years. What is the Government doing? The Government should take the responsibility of providing enough facilities to our children. It should be able to understand that education is a right for each and every child, regardless of where he comes from. To be poor does not mean that you have been cursed by God. You can be changed within no time and be somebody else.

Concerning infrastructure, I recall that in last years' Budget, my constituency was allocated funds to rehabilitate two bridges, but nothing has happened on the ground. The Makuyu box culvert stalled and the materials which were left there were collected the other day by a GK lorry. That means that, the bridge which provides access to Makuyu Railway Station will never be done. Even right now, we are asking ourselves where these materials were taken to. Even our own District Works Officer does not know what is happening within that area although metal bars, ballast and cement have already been taken away. The 15 people who provided the land for the construction of a temporary bridge and a road have never been compensated. Even the Makutano-Murang'a Road will never be constructed. Now, the Minister has come with another Budget. This is a paper Budget! It is not representing the wishes of the people.

We want to have a Government which deals with the problems of Kenyans. If the Government does not have any powers to say that it is representing its people, it should just walk out and call for fresh elections because it has been unable to manage the affairs of this country.

Mr. Deputy Speaker, Sir, the Minister, in his Budget Speech, read something to do with VAT. Within the rural areas, most people who have been registered for VAT have businesses whose turnover is below Kshs2.5 million.

Even after the reduction of VAT, from 15 per cent to 12 per cent, the next morning; on Saturday, there was an increase in the price of sugar, because traders had to compensate for cost of transportation, such that, the consumers did not feel there was anything reduced on VAT. Members of the public do not understand what VAT is, and yet it is charged in shops; on cooking fats and building materials. So, when the Minister reduced it, we were very happy, but immediately he said that he had increased the Fuel Levy on kerosene we were saddened. By increasing the price of kerosene, we are making our people poorer.

Mr. Deputy Speaker, Sir, my suggestion would be to exempt those people whose business capital is below Kshs2.5 million from VAT; especially the rural people. Because, the business that they are doing is performing so poorly that they cannot afford to pay VAT at this percentage. And yet, every month if they fail to present their returns to the Commissioner of VAT, they are surcharged Kshs10,000 per month, which they do not even get. We are reducing traders to paupers.

Mr. Deputy Speaker, Sir, I would also like to comment on the issuance of title deeds. In Maragua

Constituency, there is a very big area where we have not yet received title deeds for our private lands. People of Maranja, Kio, Gathanji and even Kamahuha Location where it was reported recently that 45 goats had been stolen, have not received their title deeds. The Government of Kenya should immediately assist our people.

Mr. Deputy Speaker, Sir, as concerns local authorities, the Central Government reads its Budget, but local authorities never read their budgets to the public. And so, the public does not know what is happening on the ground. What they know is that they pay rent to the council. That is why people from, especially Kandara, are saying that they do not want their town council. This is because, they have not been properly represented. For that reason, the Government has to do proper survey before creating these town councils. For one, they are reducing people to poverty. If they could do something better---

**Mr. Munyasia:** Thank you very much, Mr. Deputy Speaker, Sir. When talking about the Budget, the question that many Kenyans are asking is whether they should trust this Government.

Mr. Deputy Speaker, Sir, this afternoon, I had the opportunity to hear an hon. Minister of this Government answer a Question from one of the Opposition hon. Members, about what the Government is doing to alleviate the problem of unemployment. I heard him say that the Government has established the National Youth Development Fund, the Women Development Fund and a loans scheme for graduates from universities who have not been employed. I wondered whether that Minister, who was answering the Question lives in Kenya or elsewhere. Because, I do not know anywhere, where loans are being given to graduates after completion of university education. I only see these boys and girls unemployed, and there is no assistance; there is no loan scheme. But here, the Government is saying that, that is one of their solutions. They are talking of the National Youth Development Fund, which was tried only in 1996 when the Government set aside Kshs200 million to establish the National Youth Development Fund. After the much talked about Harambee, that Fund has already dried up. They have not done anything to make it alive again. The Women Development Fund is the same thing. But, we are being told that, that is the way they are going to tackle unemployment. So, Kenyans have a problem. If Ministers are talking about things that are non-existent, then when they read about the Budget; and the Government is saying, "This is how they are going to do this and make projections". Is this the kind of Government that you can trust?

Mr. Deputy Speaker, Sir, we passed some law here about ending torture by the Police Force, the Provincial Administration *etcetera*. At that time, the Attorney-General promised this House that they were going to retrain police officers because they had been trained in ways of torturing as a method of investigation. The training manual was prepared last year; it was ready by March last year. We are now in June, 1999, but the retraining of the Police Force has not started. And you hear cases reported here everyday about police having tortured so-and-so who died in prison or the chief's office; through torture. Why does this Government not implement what it has promised? What has happened to the re-training of the police? Kenyans are waiting for that, and the trimming of the powers of the Provincial Administration. Here is a Government that still gives out pamphlets on the work of a DC; the DC is supposed to be responsible for elections, the DC is supposed to--- They are giving those to our schools.

It is only the other day the PS, Office of the President, was addressing the DCs and reminding them that Kenya became a multiparty State way back in 1992, and they have got to change. They were being told last week that they have got to change, because Kenya is now a multiparty State. Those people need retraining. We said that they should not operate any cell. But up to now, we have brought Questions here, about people who have died in chiefs' offices or people who have died in DOs' cells, and the Attorney-General does nothing about that. What is happening? Can this Government be trusted? That is the question Kenyans are asking themselves.

Mr. Deputy Speaker, Sir, allow me a little parochialism. When looking at the Budget and the Estimates, I remembered that when it comes to my province, for instance, this Government always tells us that, we should be happy because they have given us five Ministers; that is our share of the national cake. It should mean that they can now fund the projects.

We have had an on-going project in Bungoma from 1979. It is called, Kibabii Teachers Training College. It is on-going because, in 1997 alone, Kshs77---

**Mr. Kariuki:** On a point of order, Mr. Deputy Speaker, Sir. If I heard the hon. Member well, he talked about having five Ministers from his area, and that is their share of the national cake. How about Central Province with only one Minister; are we not supposed to share the national cake? Were you trying to imply that the national cake is shared among certain parts and not others?

**Deputy Speaker:** Order! Order! I am sure hon. Munyasia was saying it with a light touch. They do not "eat" Ministers. Proceed!

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, I was talking about this Kibabii TTC, which is an on-going project. In 1997 alone, Kshs33 million was spent on that project, although you will only see a site office when you

go to the site. But since it has been spent, it means this project is on-going. And we have the Minister for Finance, battling out with the Minister for Education and Human Resource Development. The Minister for Education and Human Resource Development is from Kitui, and Kitui TTC, which is an on-going project will proceed as indicated in the Budget. The Minister for Finance; *mwana wefwwe!* He has not---

**Mr. Deputy Speaker:** Order! Hon. Munyasia, those are "English words" that I am not familiar with.

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, a little Kiluhya would also do, if it is the only two words used. The Minister should not have left out Kibabii Teachers' Training College since it is an on-going project.

**The Assistant Minister for Agriculture** (Mr. Karauri): On a point of order, Mr. Deputy Speaker, Sir. Are you satisfied with the hon. Member's explanation that two Kiluhya words or so, are in order in this House except when quoting? Here we use only English and Kiswahili.

**Mr. Deputy Speaker:** Well, I am sure the Minister to whom those words were addressed heard him!

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, yesterday, there was an admission here by one of us that Teso District is too small and that it needs to expand in three ways. First, it needs Changara, Tamlega and Machakha which fall under my constituency. It also needs Musokoto, Khwirale, sub-locations of Walasi Location, Kapina and Lupida; sub-locations of Bukhaya North Location in Busia District. We have told the Office of the President before, and I have complained here that I have always suspected the unsolicited generosity of this Government towards my Constituency, offering us a municipality for Malakisi Town Council which we had not asked for--- Also, in April, I complained about their giving us an administrative division which we had not asked for. When that division was created, the Headquarters was supposed to be at Tamlega and a Permanent Secretary in one of the Ministries, he keeps changing, I am not sure which one now, but he is one Barua Chele, had already prepared a house at Tamlega for that particular DO. We need to inform this Government that we shall not part with an inch of our constituency or district, and maybe even in Busia, they might not wish to leave any inch to go to the Teso District. But that struggle by the Teso should be a lone struggle. They should not drag in Sabaots. Mt. Elgon District is not making any claim on my territory, it is Teso. The Member of Parliament for Teso must justify his being there by whipping up hopes of people that he cannot sustain.

Mr. Deputy Speaker, Sir, I want to talk about the Kenya Polytechnic. The Kenya Polytechnic has been running very successfully. It has been setting its own examinations, but after some time, the Kenya National Examinations Council usurped the role of the lecturers of the Kenya Polytechnic and started causing trouble. It was a simple matter for the Minister to order the KNEC to stop and let the lecturers set their examinations. We respect the graduates of the Kenya Polytechnic and we know that the certificates they have from that institution qualifies them for employment anywhere. But now they have set up a task force. Why are they wasting that money on task forces?

**Mr. Deputy Speaker:** Order! Order! Your time is up.

**Dr. Murungaru:** Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to make a few remarks on the Financial Statement. A lot has been said about this Financial Statement and that proves one thing that nobody, both in this House and outside, if what we are reading in the local Press is anything to go by, has got confidence in this Budget. This afternoon, it has been described as a "paper Budget" and I believe that, that description is apt and accurate.

Mr. Deputy Speaker, Sir, our country, is by any description, in the doldrums. We are at the bottom of the sea of poverty. I doubt if it is possible for most citizens in this country, 80 per cent, in actual fact, to be poorer than they already are. It is very disheartening when the Minister for Finance comes here with a beautiful Budget knowing very well that it cannot be implemented because of corruption, misallocation of resources and general inefficiency in Government operations. If one thinks about how 25 per cent of all the wealth which is created by Kenyans which goes to the Government is invested, one feels like crying. The Government should be the facilitator of business in this country.

Any businessman worth his salt knows that if you want to sustain a business, you must re-invest available resources that are generated by that business into the productive areas of that business. The same thing would apply to the Government. My Constituency, Kieni, which is an extremely productive constituency in terms of horticulture and dairy products, is the leading producer and exporter of snowpeas which last year earned the country more than Kshs300 million, from just one constituency. In actual fact, this comes from just half of my constituency. That commodity is all exported. From that area where this wealth is generated, we do not have a single passable road except the one from Kiganjo to Nanyuki and the road from Mweiga to Nyahururu. Those are the only roads and they are totally impassable. If the taxes which are collected and money allocated to construct roads is not applied effectively to these areas, how then can one expect to alleviate poverty or to sustain this country in terms of economic production?



Mr. Deputy Speaker, Sir, earlier this year, the residents of Nyeri District, not only Nyeri Town Constituency or Kieni Constituency but including Mukurweini, had to go to the streets to demonstrate so that the trunk road which links the Headquarters of Central Province, the one that produces those exportable agricultural produce in this country, is made accessible. A contractor who was paid money to do the road is a well-known member of this Government. He did nothing! Even now I dread going home because a portion of that road leading to Nyeri Town is impassable. We had to go to the streets to demonstrate for a tarmac road to be graded. We made history. This is the only tarmac road in the world which has been graded. This is a joke! As a matter of fact, for the people of Nyeri District, the Ministry of Public Works and Housing does not exist.

Bw. Minister for Finance, I would suggest that you establish an Inter-Ministerial Committee to abolish that Ministry.

**Mr. Deputy Speaker:** Address the Chair!

**Dr. Murungaru:** Mr. Deputy Speaker, Sir, through you may I recommend that the Ministry of Public Works and Housing, and the Petroleum Levy Fund be abolished and that money be channelled to the districts directly so that we can do our roads there. For us, it does not exist because it has done nothing in Nyeri District. That is the whole truth.

Mr. Deputy Speaker, Sir, in this Budget, we were told that VAT has been reduced by one per cent. A colleague of mine just said that we have given that one per cent increase on VAT with one hand and taken it with the other hand. In actual fact, I think that was wrong. They have taken more. The public has lost more from the increase in petroleum levies than what they have gained from a reduction in VAT because the ripple effect on the economy on an increase in fuel prices, is far greater than any benefit that we derive from the reduction of VAT. This is more so, when you consider that everything in this country that is consumable, has got a transport component to it.

Mr. Deputy Speaker, Sir, this increase in fuel levy, coupled with the depreciation of the Kenya Shilling to Kshs75 now to the dollar, we do not know when it is going to hit the bottom. Those two factors, I think, spell doom for us. I remember that about four years ago, many people in the agro-business industry, particularly those who import and distribute agricultural chemicals and fertilizers were ruined. A good number of them collapsed. In actual fact, I know of three or four major importers of fertilizers whose companies are in liquidation now because of this exchange rate problem and because that, there has been a problem of obtaining fertilizers in this country and that obviously hurts agriculture. I would urge the Government to reconsider that particular bit, regarding the increase in fuel prices and also intervening to stabilise the same. The Minister should think of ways of stabilising the same, otherwise we are going to be even in more trouble than we already are.

Mr. Deputy Speaker, Sir, in many parts of this country, many families derive their livelihood from milk. If we are talking of a Budget that is going to alleviate poverty and one that will create employment, we must think of agriculture. There is no way that this country will make progress, without addressing itself seriously to agriculture. With regard to the dairy industry, we all recall that the Government injected money to salvage the National Bank of Kenya. That money is estimated at about Kshs4.5 billion. But KCC is unable to function and jobs are at risk in the dairy industry. The livelihood of thousands of families in this country are at risk because of a debt close to Kshs2 billion. I would like to put it to the Government that if it were to inject Kshs2 billion into KCC and work out an environment where a competent management would be in place, the effects or the benefits of that money would be far greater than the Kshs4.5 billion which has been injected into NBK and which most likely, is not going to yield any discernible results soon.

Mr. Deputy Speaker, Sir, finally with the political uncertainty which exists in the country owing to the stalemate in the constitutional review process, I do not think that even the best Budget is going to work. My colleague from Mukurweini said that we should all go to our constituencies and solicit views and come back and debate them here in this House. I wholeheartedly support him. We should go back to our constituencies and involve the people.

**Mr. Shidie:** Thank you, Mr. Deputy Speaker, Sir, for giving me time to contribute to this Budget. First and foremost, I would like to congratulate the Minister for ably moving the Budget. Time has come for this nation to reflect. Time has come for us to see the way ahead. This country requires a budget that will alleviate poverty and improve infrastructure. This Budget requires much more than that. It requires a budget that will bring security to this country. If you go to the countryside today, you will realise that insecurity is so rampant, that something drastic needs to be done in this country. I say so because I feel a sense of hopelessness in my constituency, where the police and Administration Police also are ill-equipped. They do not have telecommunication sets, vehicles, radio call facilities and telephones, at all.

Mr. Deputy Speaker, Sir, despondency is creeping in among Kenyans because there is insecurity in the constituencies. There has been insecurity in Kilifi, Mandera, Turkana and everywhere. People are being killed day

and night. It touches us. It touches this country. I feel aggrieved as a Member of Parliament. Today, we are at crossroads and time has come to reflect on the money that we give for security. That money must be properly utilised. We require vehicles, radio call facilities and telephones. If we do not have them, then the lives of ordinary Kenyans will be at risk. Many people in this country are impoverished. Why are they impoverished? They are impoverished precisely because of insecurity. In our areas, people who used to own large numbers of herds of cattle and camels are poor today because of the AK-47 rifles that are being used by bandits and cattle rustlers. Unless and until we eradicate that, then nothing meaningful will come of this Budget. I say so because in my own constituency, and even in Garissa District for instance, we have 15 divisions and among these, no DO has a vehicle. No DO is on the ground at his divisional level. No chief is on the ground at the locational level as they all go to the district headquarters. You will realise that the services that were supposed to be provided at divisional and locational levels are no longer there. The peripheries are collapsing one after the other and that means, even the district itself will be in a problem. When there is a banditry attack, the DO cannot move, the chief is not at the station and the DC can do nothing about it. How many people are being killed day and night in this country? It is precisely so because the security men who are supposed to man the divisions and the locations are not providing these facilities. For heaven's sake, why do you take a DO to a division where he cannot get even a vehicle, a radio call set facility, a telephone and he does not have anything? Sometimes, the DO is just called through a callbox to be told that the DC wants to talk to him. We are disempowering our people completely.

Mr. Deputy Speaker, Sir, on infrastructure, since the *El Nino* rains, our roads have not been repaired. If you move from Garissa to Mandera, it is like you are travelling through hell. There are deep gullies and the worst terrains dot that road. You will realise that you cannot travel in those areas. *The El Nino* rains buried what we destroyed. We should not even say that *El Nino* is the one that has really caused the mess in this country. The *El Nino* buried what we had already destroyed. The infrastructure was already decaying because 35 years after Independence, we have not been repairing them. We have not been taking stock.

Mr. Deputy Speaker, Sir, hon. Members from the North-Eastern Province are the only lot in this House from a KANU zone whose area does not have even a single tarmac road. The North Eastern Province is a KANU zone; we have elected the Government. So, we want the Government to set aside a certain amount of money for the development of infrastructure in that region. Money should be drawn directly from the Consolidated Fund to help the people of that area, because they are not lesser citizens in this country. So, they cannot be condemned to become the watchmen of this country. The best of a Somali you see is one wielding a rungu, looking after somebody's industry in the Industrial Area, guarding somebody's premises in a posh area. The same applies to the Maasais and the Turkanas.

Therefore, money must be set aside for the development of those areas. This country cannot have two societies, one of which is affluent, and another one that is dying of hunger. We must be provided with education. Education will be an instrument of helping our people. This Budget must set aside an amount of money for those areas. There must be a Martial Plan for those areas; we deserve it. Even 35 years after Independence, there is nothing we can count on in the area, and this fact really hurts us. When I visit my constituency, I feel despondent and hopeless. I feel that I am not part of the Government. Time has come for us to take stock of the things the Government has done for those areas.

Mr. Deputy Speaker, Sir, today, this country has poverty because of misappropriation of funds, disorganisation and mismanagement of public funds. If money was utilised properly, what is Kshs25 million when we have such vast resources? The liberalisation policy has made this country poorer than it should have been. We have thrown our country's door ajar when other countries are protecting their economies. Why are we interested in the East African Co-operation when we have about 70 million people in the Horn of Africa without industries or anything? Hon. Biwott is here; he was talking about the East African Co-operation. We should be talking about the Horn of Africa Co-operation, where there are 70 million people who have no industry or infrastructure. We can make a lot of money out there. We do not need to politick around here.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): On a point of information, Mr. Deputy Speaker, Sir. I would like to inform the hon. Member that the Horn of Africa is also included in the COMESA Region.

**Mr. Shidie:** Mr. Deputy Speaker, Sir, what I am talking about is tactical actions. Minister Biwott goes to Uganda and Tanzania. Why does he not go to Ethiopia, where there is a population of 60 million people? We have the Port of Mombasa, through which Ethiopia can bring in some of her imports. Those people neither have good infrastructure nor industries; they, really, survive on subsistence.

**The Minister for East African and Regional Co-operation** (Mr. Biwott): On a point of information, Mr. Deputy Speaker, Sir. For the benefit of the hon. Member who is on the Floor, and other hon. Members present here, the East African Co-operation is only the first track of the much wider regional integration called Comesa.

At the moment, we are trying to find out a way of creating a regional investment agency, which will take care of the practical realities of creating industries in the areas concerned, of which the Horn of Africa is included.

**Mr. Deputy Speaker:** Order, Mr. Minister! I will give you time to say that. Let the hon. Member on the Floor continue; this is his time.

**Mr. Shidie:** Thank you, Mr. Deputy Speaker, Sir. I appreciate what the Minister has said. However, the point I am trying to make is very clear, namely, that this country needs markets to create wealth; the country has the ability and the potential to become better than it is now. We can have bigger markets out there, and we should not necessarily be inward looking. Tanzania is basically a socialist country. Tanzania does not want to co-operate with Kenya. They see free things coming to them from South Africa. South Africa is already there to give them free industries. So, the point I am trying to make about this country is that poverty has dehumanised Kenyans. It has made us lesser human beings. So, the Budget should allocate some money for the development of marginal areas.

With those few remarks, I beg to support and congratulate the Minister.

**Mr. Achola:** Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to also contribute to this Motion. I would like to start by congratulating the Minister for Finance for having tried to present a Budget that is fairly technical. However, I am afraid that, like his predecessor, he will not get anywhere. Last year, the then Minister for Finance, hon. Nyachae, claimed that he would present a Budget that would have no deficits. He forgot that he had certain great hawks in his party. Therefore, he was not allowed to implement the policies that were contained in his Budget. For example, hon. Nyachae said in his Budget that the Government needed to reduce the wage bill and the number of Ministries, but none of these two things happened. Instead, many more Assistant Ministers were appointed. Today, you will be lucky if you can identify any hon. Member from the Government side who is not an Assistant Minister.

Mr. Deputy Speaker, Sir, we talk about liberalisation as a process that will allow a free market economy. However, liberalisation is killing our local industries. I have in mind the sugar industry. We are in trouble. Unfortunately, or fortunately, the Minister comes from a sugar-cane growing area, and knows the problems that we get in selling our sugar. There is no point in talking about liberalisation if corruption cannot be contained. Raising tariffs with a view to blocking dumping of substandard imports into our country is one thing, and implementing those tariffs quite a different thing. We know that the hawks in the Government will not allow the Minister for Finance to do that.

Mr. Deputy Speaker, Sir, the Minister has proposed to impose presumptive tax on farmers' produce, and this is very unfair. Most of us are aware of the effects this policy has had on ordinary sugar-cane growers. We are all aware that because of liberalisation, all our local markets are fully packed with goods from South Africa. So, I would like to appeal to the Minister not to commit suicide by allowing everything that comes from South Africa into this country. Recently, I went to Nepal. There, they export even green pepper to our country. What makes me wonder is that their green pepper is also cheaper than the pepper our country produces. Now, if the South African Government subsidises all its produce, Kenya should also wake up and stop the importation of everything from there into this country, because we do not want to kill our local industries.

Mr. Deputy Speaker, Sir, we have been talking about privatisation. Now, I want to mention one thing, namely, that the idea of privatisation for a market economy must be implemented. The Kenya Posts and Telecommunications (KPTC) was supposed to be privatised. However, upto now, there is a lot of under-dealing. We do not know who is going to buy what. Some people are planning to quietly buy shares in the various firms they are going to put up. This way, the money will end up in a few pockets. As I speak, now, the Kenya Railways Corporation (KRC) is in the process of being bought secretly by an American firm, which is fronting an Indian, a Mr. Hosea Kiplagat and the Permanent Secretary in the Corporation's parent Ministry of Transport and Telecommunications.

**Mr. Deputy Speaker:** Mr. Achola, you cannot go on committing the same offence all the time; accusing Kenyans who cannot come and defend themselves here. If you want to make an accusation against somebody, you will be required to substantiate that allegation by placing documents on the Table on the same day.

**Mr. Achola:** Thank you, Mr. Deputy Speaker, Sir, for your ruling. I have no intention of violating what you have said, but I think it is most unfair because when we talk about these corrupt people and you insist on substantiation which you know we cannot get because these people are very tricky--- The corrupt people are more tricky than everybody else in this country.

**Mr. Deputy Speaker:** Order! Order! if you know you are going to come and make a speech in the House and you are going to make allegations against certain individuals who are not here, you must come armed with the documents to prove your point. We have given Members time to go and bring substantiation later and they have

failed to do so. So, we really must take ourselves seriously. You make an allegation against another person outside this House, you should substantiate on the spot. Hon. Achola, if you do not have the documents to substantiate what you have just said, I am afraid I have to ask you to withdraw!

**Mr. Achola:** Mr. Deputy Speaker, Sir, I have not said anything. I have just said this is how this country is going to the dogs; because if we say what is happening, you ask us to come and substantiate.

**Mr. Deputy Speaker:** Order! This is not a matter over which we are going to hold a debate; it is a ruling. You either substantiate or withdraw the mention of those names of people whom you say are doing certain things which you consider to be irregular. I am not saying they are not doing it, I am merely saying, let us have your evidence so that we can also go along with you.

**Mr. Achola:** Thank you, Mr. Deputy Speaker, Sir, I will go to the next one and leave that one at that point. Sorry, Mr. Deputy Speaker, Sir. Could you come again? I am not with you.

**Mr. Deputy Speaker:** Order! You have mentioned certain individuals as having done certain things in the Kenya Railways?

**Mr. Achola:** Would you like me to mention them again?

*(Laughter)*

**Mr. Deputy Speaker:** Order! This is not a joking matter, so let us not laugh when other people's characters are being assassinated without substantiation. So, you either substantiate what you have said about them or you withdraw. Quite simple!

**Mr. Achola:** Thank you, Mr. Deputy Speaker, Sir. Because time is running out, if you allow me to substantiate next week, I will do so.

**Mr. Deputy Speaker:** No, substantiate now!

**Mr. Achola:** In that case, I withdraw because I have got two other things that I want to say. I withdraw!

Talking about Government expenditure, the Ministries ought to be reduced. In particular, why should we have a Ministry of East African and Regional Co-operation when there is also a Ministry of Foreign Affairs? This is how we are duplicating efforts and spending millions which could be helping Kenyans to develop.

I talked about the Presumptive Tax and I am appealing to the Minister to go and re-look at this particular tax. I will give him an example; we have farmers in Migori area who grow cane. Cane stays in the field for 50 months and at the end of it, the farmers, get, say, Kshs100,000. Now, what you are going to do through this taxation is to tax the gross income of these farmers. You say whatever percentage you are going to take, you are going to take it from the gross income which he will have had after 50 months which is not fair. That worked out to something less than Kshs1,000 a month. Consider someone who is paying Pay-As-You-Earn. You have given them exemption that anybody earning less than Kshs8,000 will not be taxed. So, where is the fairness? This is going to criminalise the farmers back in the rural areas and this is what we are trying to say.

Mr. Deputy Speaker, Sir, the Minister also talked about reducing taxation of CDK, that is a Completely Knocked Down Kit. I would like to appeal to him that in this new age of technology, he applies this rule also to computers so that we can actually assemble computers here. In the next few years nothing is going to work if we do not have the computer technology in this country. So, I am appealing to him to ensure that this CDK exemption applies to computers as well.

**The Assistant Minister for Finance** (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir---

**Mr. Mwenje:** On a point of order, Mr. Deputy Speaker, Sir, I am legally on a point of order!

**Mr. Deputy Speaker:** Order! I am not allowing points of order because hon. Achola has finished his contribution!

**Mr. Mwenje:** Mr. Deputy Speaker, Sir, it is about a ruling which you have made in his House.

**Mr. Deputy Speaker:** No! I cannot allow points of order in the middle of the Debate on the Estimates!

**Mr. Mwenje:** But what is happening here? I am legally on a serious point of order! But if the Chair itself does not follow the regulations of this House, who else do we depend on?

**Mr. Deputy Speaker:** Order! I can and I have!

**The Assistant Minister for Finance** (Mr. Arap-Kirui): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this debate on the Budget Speech. I should start by congratulating the Minister for---

**Mr. Mwenje:** On a point of order, Mr. Deputy Speaker, Sir. This is very serious and we cannot let it go unchallenged. The Chair has just ruled that if somebody makes a remark, he has to substantiate on the same day. This is against our Standing Orders and I would want the Chair to quote which Standing Order he was using

when he quoted that because our Standing Order says that you may be required to substantiate, not necessarily on the same day; it is up to the Chair. So, the ruling is out of order!

**Mr. Deputy Speaker:** Order! Order, Mr. Mwenje! It does not say what day, and for what is not stated in the Standing Orders, the Speaker uses Standing Order No.1; his discretion. Standing Order No.1 then establishes what is not established in the Standing Orders! So, proceed!

**The Assistant Minister for Finance** (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir, I will start again by thanking you, not only for giving me this opportunity to contribute to the debate, but for also saving us from some of the trivialities that some Members of this House tend to be very fond of engaging in these days. I wish to congratulate the Minister for ably presenting a very detailed and comprehensive Budget. I believe part of the problems that some people are having in characterising it or labelling it, is because it was detailed and comprehensive.

I wish, at the same time, to express my concern over the quality of debate in this House. I am sorry, I have a problem in calling some of the utterances here "debate". I was going to express my concern over the quality of debate in this House in the very recent past including today. I will subscribe to the comments made earlier by one of my colleagues, I believe it was hon. Anyona, who expressed his concerns about the pattern by some Members to engage in attacking and trivialising matters in this House by engaging in personal attacks often based on personal considerations and maybe, ill-will to a very large extent.

#### MEMBERS' HALF HOUR STATEMENTS

**Mr. Deputy Speaker:** Order! Hon. Members, it is now 6.30 p.m., the time to make personal statements. We have one from hon. Muchiri. Yes, Mr. Muchiri!

#### GOVERNMENT POLICY ON PTA CHARGES

**Mr. Muchiri:** Thank you, Mr. Deputy Speaker, Sir. I rise to ask for a Ministerial Statement from the Minister for Education and Human Resource Development as to what actions he is taking over the issue of students being chased from schools countrywide due to non-payment of tuition, development and text books charges levied by the School Parents' and Teachers Associations appointed under the Education Act. What is the Government's policy on the issue of education of students from poor families, who cannot afford such charges?

**Mr. Deputy Speaker:** Yes, the Minister for Education and Human Resource Development?

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Deputy Speaker, Sir, the Minister concerned is not here. But I rise under the principle of collective responsibility and undertake to inform the Minister for Education and Human Resource Development on the matter raised by Mr. Muchiri. No doubt he will respond to him in good time.

*(Mr. Mwenje interdicted)*

**The Minister for East African and Regional Co-operation** (Mr. Biwott): Mr. Deputy Speaker, Sir, I do not like that insinuation from Mr. Mwenje.

*(Laughter)*

#### ADJOURNMENT

**Mr. Deputy Speaker:** Order! Hon. Members, it is now time to interrupt our business. The House, therefore, stands adjourned until Tuesday, 22nd June, 1999, at 2.30 p.m.

The House rose at 6.35 p.m.