

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 1st July, 1997

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Mr. Obwocha: On a point of order, Mr. Speaker, Sir. There is a stranger in the House. The former Member of Parliament for Kigumo is sitting right here, and he is a stranger in the House!

Mr. Speaker: Hon. Obwocha, to the best of my knowledge, hon. Mwaura has not tendered to Mr. Speaker, any letter of resignation. You can read that in the Constitution.

Proceed, hon. Achieng-Oneko!

Question No. 323

CONTINUED BAN ON KAU/MAU MAU

Mr. Achieng-Oneko asked the Minister of State, Office of the President:-

(a) whether he could inform the House why the Kenya African Union, which was a national political party proscribed by the colonialist regime for its struggle for independence, still remains an illegal society in independent Kenya; and,

(b) what the rationale is for the Mau Mau Society, which was in the centre stage of the struggle for freedom, to remain a banned society.

The Assistant Minister, Office of the President (Mr. Manga): Mr. Speaker, Sir, I beg to give the following reply.

(a) Kenya African Union (KAU) was proscribed by the---

Mr. Nthenge: On a point of order, Mr. Speaker, Sir. As you were making your ruling on the issue of the stranger, and before you finished, the Question of hon. Achieng-Oneko was called. According to our Constitution, is it proper for somebody who has left his party to remain an hon. Member? Please, clarify that.

Mr. Speaker: Order! May I make this absolutely clear. If hon. Members care to look at the relevant section in the Constitution of Kenya, your leaving your party does not mean you cease to be an hon. Member, unless you have resigned from the party, and given the Speaker your letter of resignation. As far as I am concerned, any other utterances you make out there are totally irrelevant. As the Speaker, I must be satisfied that the hon. Member has resigned by delivering to me a letter duly executed by the Member in question. I must also be further satisfied that the signature is, as a matter of fact, of that Member. As far as I am concerned now, I have not received any letter from any hon. Member of this House resigning from any party. Therefore, any question as to an hon. Member leaving his party is a moot point. Can we now go to the business of the House?

Mr. Wamalwa: On a point of order, Mr. Speaker, Sir. Whereas he may remain, or continue to remain a Member, but is it in order now, for him to continue, or purport to sit in the place of his former party? Why can he not cross over and sit in the place of his new party?

Mr. Speaker: Order! I do not preside over party meetings. I preside over the National Assembly. The National Assembly means any Member that is lawfully entitled to sit in this Chamber, regardless of where one sits. I think we have done that several times. So, can we now go into business?

(Mr. Kapten stood up in his place)

Order, hon. Kapten! Order! It does not really pay for any hon. Member to insist that he must be given a chance by Mr. Speaker!

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

Order! May I say this: If any hon. Member thinks my interpretation of the Constitution in that regard is wrong, the right authority to interpret the Constitution, under the Constitution is the High Court, and an hon. Member who is aggrieved can proceed there!

Dr. Lwali-Oyondi: On a point of order---

Mr. Speaker: Order, hon. Members! Order, Dr. Lwali-Oyondi! May I just tell the House this: I do not want to be drawn into intra-party grievances. I have nothing to do with them. So, as far as the hon. Member has not given me a letter of resignation, I have nothing to do with his party loyalty. Would you like to ask your Question, hon. Achieng-Oneko?

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

Mr. Speaker: What is it, hon. Kapten? You will be the last one I give this chance!

Mr. Kapten: Mr. Speaker, Sir, Section 40 of the Constitution states:

"A Member of the National Assembly who, having stood at his election as an elected member with the support of/or as a supporter of a political party, or having accepted appointment as a nominated member as a supporter of a political party, either-

(a) resigns from that party at a time when that party is a parliamentary party; or, ---- shall vacate his seat forthwith."

Mr. Speaker, Sir, if a person defects from a party which supported him at an election is as good as having resigned. The Constitution does not state that a member shall deliver his resignation letter to the Speaker of the National Assembly.

Mr. Mwaura defected from FORD(A) and we saw it. He was received by the President of KANU at the Kenyatta International Conference Centre. I think that act by Mr. Mwaura was as good as resigning from FORD(A) and, therefore, he falls under Section 40, Sub-Section (1) of the Kenya Constitution.

Mr. Speaker: Order! If I were to go by rumours, newspaper reports and television, a lot of hon. Members from the Opposition side, who have said they are now in the National Development Party of Kenya (NDPK) would not be there. But the Speaker does not go by press reports or the radio. I will accept a duly executed letter of resignation; no more no less. So, that should end it!

Dr. Lwali-Oyondi: On a point of order---

Mr. Speaker: Order! I am sorry now, Dr. Lwali-Oyondi! Hon. Manga, can you finish the Question now?

(Loud consultations)

Can I hear you, hon. Manga?

The Assistant Minister, Office of the President (Mr. Manga): Mr. Speaker, Sir, I want to start answering the Question.

(a) Kenya African Union was proscribed by the colonial regime in 1953, when all political parties were prohibited and African leaders detained for their national struggle for Independence. The hon. Member who has just asked the Question was included.

After the 1960 Lancaster House Conference, the ban on political parties was lifted countrywide. Parties were formed among them, the Kenya African National Union and the Kenya African Democratic Union. No attempts were made, however, to revive the Kenya African Union.

(b) The Mau Mau Society was banned by the colonial regime at the height of the struggle for Independence alongside other political movements. On resumption of political activities in 1960, these aspirations found expression in the political parties that were formed at that time.

Mr. Achieng-Oneko: Mr. Speaker, Sir, I am not very happy with the answer given by the Assistant Minister. I would like him to state whether he will apologise to the House and give a statement to the effect that, those parties are no longer illegal as far as the Constitution is concerned. I can produce a document from the law books to prove that KAU and Mau Mau still remain banned societies.

Mr. Manga: Mr. Speaker, Sir, I want to repeat this again. Maybe he did not hear me properly. I said that all the parties were banned during that time but after the 1960 Lancaster House conference, people were at liberty to revive their parties or form new ones.

Mr. Nthenge: On a point of order, Mr. Speaker, Sir. It is wrong to say that after the Lancaster House

Conference, the ban was lifted. The ban was lifted earlier than that and we amalgamated all the parties to KANU and KADU and many others sprung up before we went to the Lancaster House conference.

Mr. Anyona: Mr. Speaker, Sir, it is very surprising that KANU does not even respect its own origin. As I understand it, KAU was a fore-runner of KANU. Can the Assistant Minister agree with me or not that the problem which led to the fact that KAU could not be revived and that we could not lift the ban on Mau Mau was because the Act under which KAU was registered, in the first place, that is the Societies' Act, forbids even now, that if a party has been banned, you cannot form another party in that name? That was the law then and that is the law today. That is why KAU could not be revived in that name. That is what the Societies Act says. Can you agree with me? If not, we can read the Act tomorrow.

Mr. Manga: Mr. Speaker, Sir, hon. Anyona is a Member of Parliament. If he knows that it is the law that is made here which prohibits that, then he should not be asking that question. Another thing is, if KAU was KANU and there is KANU, why think about KAU?

Mr. Orengo: Mr. Speaker, Sir, the commencement of the present Societies' Act was 16th February, 1968. The KAU was banned under Section 4(1) of the Societies' Act whose commencement was 16th February, 1968 and the subsidiary legislation reads as follows:-

"Societies declared to be societies dangerous to the Government of the Republic under Section 4(1) sub-section 2 of the Societies' Act."

Mr. Speaker, Sir, is this Government not confirming to the shame of the rest of the country that they support the conviction of the late Mzee Jomo Kenyatta, if they still agree that Kenya African Union is a banned organisation? So long as KAU is still a banned organisation, you are telling Kenyans that you support the colonialists for jailing Mzee Kenyatta and Achieng-Oneko for seven years.

Mr. Manga: Mr. Speaker, Sir, I want to say that KANU has nothing to do with KAU because KANU is a party of its own. It is not this Government that banned KAU. Therefore, if the original Members of KAU wanted to put that case forward, they should have revived it.

Question No.076

ESTABLISHMENT OF UNIVERSITY IN EASTERN PROVINCE

Mr. Nyagah asked the Minister for Education:-

- (a) whether he could consider establishing a university in Eastern Province by upgrading Kangaru High School, Kangaru Girls School, Embu Agricultural Research Station and Kigari Teachers College, bearing in mind the importance of higher education in national development; and,
- (b) how many students from Eastern Province have been enrolled into the five public universities from 1988 to 1995.

The Assistant Minister for Education (Mrs. Ndeti): Mr. Speaker, Sir, I beg to reply.

(a) Our public universities are not regional entities but national institutions of higher learning into which any student from any part of the country who meets the minimum university entry requirements is admitted. Conversion of Kangaru Boys High School, Kangaru Girls Secondary School, Kigari Teachers Training College and Embu Agricultural Research Station into a public university would therefore, not confer any special advantage to students from Eastern Province.

(b) From 1988 to 1995, the number of students from Eastern Province who were admitted into public universities to undertake studies in various courses were 15,491 excluding the figure for Nairobi University for 1988/89 which we have not managed to obtain from the university, but it can be made available later. We have asked the university to avail it. In 1990/91, there were double admissions for both "A" Level and 8-4-4 students.

Mr. Nyagah: Mr. Speaker, Sir, the Gracious Lady and I come from the same Province, but I do not want to dwell on whether we should have a university in Eastern Province or not. I would like to ask the Assistant Minister whether she is satisfied that on average, where we have a population of 40,000 students in our public universities that an average of 2,496 between the years, on yearly basis is what Eastern Province has produced in our current universities? Secondly, I would like to request the Assistant Minister to bear in mind that these are institutions that have infrastructure in place, for instance, the Agricultural Institute can offer BSc in Agriculture, the Kigari Teachers Training College can offer BSc in Education and so on. Lastly, I would like to urge the Ministry to consider creation of another sixth university, so that we can absorb the exodus of the students who go to universities outside Kenya, irrespective of whether this is going to be in Eastern Province or not. This will greatly help, Madam gracious Assistant Minister.

Mrs. Ndeti: To answer his supplementary question, I would like to say that I am satisfied because those

students who qualify are admitted into our universities. We have not detected any discrimination in the intake of students from Eastern Province. Secondly, we need to sustain those institutions which are already in place so as to develop the manpower which is very badly needed in this country. Students do not necessarily have to go to the universities, they can join teachers training colleges and other training colleges. Over and above the five public universities that we have in this country, we have another three which have been certified and chartered and other nine which are in the process of being registered. Establishing another university will continue diluting what we have. At the moment, the Government is concentrating on making the quality better and providing facilities that have not been provided in the past in our current five universities.

Mr. Raila: Mr. Speaker, Sir, I want to invite the Gracious Lady to agree with me that setting up universities on regional or provincial basis does not necessarily make them less national. In the United States of America, there are state universities in each state, but they admit students from all over United States of America. Setting up universities on regional basis facilitates equitable distribution of resources. If you set up a university in Garissa you create local jobs for the local population there. I am asking the hon. Assistant Minister to state whether this Government will consider trying to distribute national institutions more equitably rather than concentrating them in Nairobi and the Rift Valley Province as is the case today?

Mrs. Ndetei: Mr. Speaker, Sir, I do not entirely agree with the hon. Member, but he might be having a specific case in mind which he could be referring to. I know there is a university institute in Kibwezi, but there are Merus, Luos, Kikuyus and people from other tribes working there. If you go to Moi University, you will find Kambas working there and yet that university is not in Ukambani. You might have a point, but I do not think that is the issue at hand at the moment.

Mr. Nyagah: Mr. Speaker, Sir, I would like to ask the Assistant Minister to go deep into the root cause of the problems in our high schools in Eastern Province. We definitely have a problem because our intake into the national universities is very low. There is bad management in various schools and I can quote very many of those schools. She should also bear in mind that we have very many O-Level graduates who are unable to get jobs within Kenya, but get them overseas. Please, do consider creating that other university we are asking for, which has the infrastructure already in place. If not for that reason, she should consider creating it for prestige.

Mrs. Ndetei: Mr. Speaker, Sir, I have heard the sentiments. I do not think I am required to give any reply on that.

Question No.314

DISAPPEARANCE OF MR. KIMONDO

Mr. Mwiraria asked the Minister for Environment and Natural Resources:-

- (a) whether he is aware that Mr. Geoffrey Gathiru Kimondo, Forest Assistant III, who was working with the Forest Department, Meru, disappeared on 7th February, 1995, and has not been seen since;
- (b) if the answer to "a" above is in the affirmative, what action the Government has taken to establish his whereabouts; and,
- (c) when the family will be paid his terminal benefits.

The Assistant Minister for Environment and Natural Resources (Mr. Lengees): Mr. Speaker, Sir, I beg to reply.

- (a) I am aware that Mr. Geoffrey Gathiru Kimondo, who was a forest guard deserted duty with effect from 20th February, 1995 and has not been traced since.
- (b) Although the officer was recommended for dismissal in accordance with information received, there has been a police investigation into a possible murder. However, so far there has been no lead to the matter.
- (c) In view of the above, if new evidence is received indicating that the officer died while in service, the matter will be reviewed and any benefits due to him will be paid to the family accordingly.

Mr. Mwiraria: Mr. Speaker, Sir, I would like to draw the attention of the Assistant Minister to the fact that Mr. Kimondo left his station for duty in the forest on Tuesday morning, 7th February, 1995. Information available, even to the police, indicate that a colleague of his and somebody doing timber lumbering in that forest were responsible for his disappearance. Since the people involved were in the Forest Department, maybe, that is why Mr. Kimondo is being accused of having deserted duty. Could the Assistant Minister assure the House that since the family is literally starving, action will be taken? He disappeared while on duty and I think there is a provision for the family to be paid some benefits if that person dies while on duty. Could he assure the House that he will look into this matter to ascertain that Mr. Kimondo left for duty and that he disappeared in the forest while on duty?

Mr. Lengees: Mr. Speaker, Sir, as per the information available, Kimondo deserted duty on 20th February

and not 7th February, 1997. The hon. Member from the area might know about this matter better than us, but the information available is that he went missing on 20th February, 1997. The matter is still with the police, and as soon as they give us the findings, the Ministry is prepared to pay those dues.

Mr. Maore: Mr. Speaker, Sir, given the time period since Mr. Kimondo left his station, and noting that Mr Kimondo is supposed to be paid his terminal benefits whether he has deserted duty or he is dead, why can the Assistant Minister not organize have this man's terminal benefits paid pending investigations by the police or how long do you expect the police to take in their investigations?

Mr. Lengees: Mr. Speaker, Sir, the Ministry is not in a position to work out any terminal benefits until the police report back their findings. What is there is that the Government's liabilities in respect of the salary, house and medical allowances for the period of 21st February, 1995 to 30th June, 1995 amounting to Kshs14,627.65 can be pursued.

Mr. Mwiraria: On a point of order, Mr. Speaker, Sir. I have informed the House that people working in the Ministry of Environment and Natural Resources were involved in the disappearance of this person. Since they were involved, it is not possible for them to tell the Ministry headquarters that the man was actually eliminated or what happened to him. I have information which I have given to the police which identifies even the people responsible for his death. Is he prepared to look after the family of this former civil servant who served the country diligently until he was eliminated?

Mr. Lengees: Mr. Speaker, Sir, this is a very sad case. I think it is better for the hon. Member to go back and give proper evidence to the police, so that they can communicate to the Minister as soon as possible for us to work out the problem.

Mr. Speaker: Dr. Lwali-Oyondi's Question!

Question No.168

SALE OF WATER METERS

Dr. Lwali-Oyondi asked the Minister for Local Government:-

(a) if he is aware that water meters worth several thousand shillings, most of which were from the Department of Water of the City Council of Nairobi, were sold to Nakuru Municipal Council at prices of new water meters; and,

(b) if the answer to "a" above is in the affirmative, what steps he is taking to bring the culprits to book.

Mr. Speaker: Anybody from the Ministry of Local Government? We will come back to the question later. Mr. Ndicho, would you like to ask your Question?

Question No.398

ALLOCATION OF JUA KALI SHEDS

Mr. Ndicho asked the Minister for Research, Technical Training and Technology:-

(a) if he is aware that Ruiru Jua Kali sheds were allocated five acres of land;

(b) if he is further aware that three acres out of these have been allocated to other individuals; and,

(c) if the answers to "a" and "b" are in the affirmative, if he could order the repossession of the three acres and the same be given back to the Jua Kali artisans in Ruiru.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Speaker, Sir, I beg to reply. I suppose Mr. Ndicho should be having the written reply.

(a) Yes, we are aware that Ruiru Jua Kali sheds was allocated two acres of land through a letter dated, May, 1992.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. You have heard what the Assistant Minister is saying. Part "a" of the Question asked the Assistant Minister whether he is aware that Ruiru Jua Kali sheds were allocated five acres, but he replies: "Yes, I am aware it was allocated two acres". You should say whether you are aware that they were allocated five acres or not?

Mr. Speaker: Order! Can we hear him again?

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Speaker, Sir, as far as the Ministry of Research, Technical Training and Technology is concerned, the artisans were allocated

two acres and not five acres.

(b) Nobody was allocated part of this land and because of that, part "c" of the Question does not arise.

Mr. Nthenge: On a point of order, Mr. Speaker, Sir. The Questioner says five acres which should have gone to the Jua Kali artisans have gone to individuals. Is it not in order for the hon. Questioner to tell us - if the Government is hiding - who these individuals are?

The Assistant Minister, Ministry of Research and Technology (Mr. Kagwima): Mr. Speaker, Sir, a copy of the letter of allocation of that piece of land to the artisans, which I have here, reads: "two acres were allocated to them." If hon. Ndicho can prove otherwise, I will then investigate.

Mr. Ndicho: Mr. Speaker, Sir, one of the reasons why we are very happy that we are going to defeat KANU in Juja Constituency this particular year is because of the Government giving misleading answers like this one.

Mr. Speaker, Sir, the person who answered this Question is the one who grabbed those three acres of land. The DC and the Town Clerk of Ruiru County Council are involved, yet they are the people you sent for this answer. What is on the map - and I wish I knew that this Question is coming - is that, Ruiru Jua Kali sheds were allocated five acres of land. Currently there is already a stalemate between the people who were allocated the three acres and the Jua Kali artisans. They are threatening them that if they start building there, somebody is going to die and I am telling the Assistant Minister that indeed, somebody is going to die there. Could the Assistant Minister now promise this House to re-investigate this issue seriously? Because, those people's land has been taken away and now he is protecting them.

Mr. Nthenge: He has been misled!

Mr. Kagwima: Mr. Speaker, Sir, out of that reaction from the hon. Member for Juja, I would like to say that the answer I am reading has been signed by the Minister for the Ministry and not by the DC. Secondly, I would not wish to defend anybody who may have taken any piece of land belonging to those artisans. Finally, I would like to request that the hon. Member provides evidence to his allegations and then, I will start investigations. But as far as I am concerned, I have no evidence to enable me start investigations. Otherwise, I have that letter of allocation to the artisans.

Mr. Magwaga: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to evade the question that has been put to him? That he should go back and bring back a proper answer, since the hon. Member for Juja Constituency has given him the information that the DC is involved. We know quite well that when a Question is put to a particular Ministry, it goes to the roots and it is not the Minister who answers it. The Minister receives the answer from the roots and the DC is one of them. Can he agree to come here with a proper answer?

Mr. Kagwima: Mr. Speaker, Sir, I wish to reiterate what I have said. I am not evading the question, but I am asking hon. Ndicho to assist me and the Ministry to investigate. I am prepared to go back and investigate, but can we have a certain starting point?

Mr. Speaker: Final question, Mr. Ndicho!

Mr. Ndicho: Mr. Speaker, Sir, first and foremost, I would like to correct the record that the DC who was involved is not the current DC but the former DC for Kiambu, Mr. Samuel Oreta. I am ready to furnish the Assistant Minister with documents and the map of that area. But it defeats all reason why I am a Member of Parliament and why this House allocates time for Members of Parliament to ask Questions. It is the responsibility of the Government when they receive such a Question to go and investigate and not to ask me to go and do another job of re-investigating and taking to him the answer. I have got a lot of other things to do, but anyway, I will give it to him.

Mr. Kagwima: Mr. Speaker, Sir, I agree I will look into the matter, but I would be happy to look at those documents he is holding.

Mr. Speaker: Very well! Hon. Henry Obwocha's Question!

Question No.105

LABOUR OFFICE FOR NYAMIRA DISTRICT

Mr. Obwocha asked the Minister for Labour and Manpower Development:-

(a) what has led to lack of a labour office in Nyamira, despite the fact that Nyamira is now a fully fledged district; and,

(b) if he could rectify this anomaly to avoid long travels by Nyamira residents to Kisii to be attended to on labour matters.

The Assistant Minister for Labour and Manpower Development (Mr. Komen): Mr. Speaker, Sir, I beg to reply.

(a) Financial limitations have occasioned the lack of a labour office in Nyamira District.

(b) A labour office with the requisite staff will be opened in Nyamira District when funds become available. Meanwhile, the Kisii labour office will continue to serve the residents in the District.

Mr. Obwocha: Mr. Speaker, Sir, that is the same answer I was given by the "Government" when it visited Nyamira. Kisii District labour office started way back in 1920 and he is saying that it is going to help Nyamira. The question is, when are you going to help open a labour office in Nyamira?

Mr. Speaker, Sir, the furthest end of Nyamira which is Borabu to Kisii is 70 miles and the people, particularly those who have retired, would like to get their benefits. Just collecting a form from Kisii labour office is so expensive and the Minister is here saying: "When funds become available". Is this the new or the old Government song? Could you tell us when you are going to do it?

Mr. Komen: Mr. Speaker, Sir, the Ministry is implementing this in other districts too. It is not only Nyamira District that is being served by another district. There are so many other districts like Homa Bay District which is at the moment serving Rachuonyo and Suba Districts. So, gradually, we will have other districts given labour offices.

Mr. Anyona: Mr. Speaker, Sir, the area called "the Greater Kisii" has three districts; Kisii, Nyamira and Gucha. These districts do not have facilities provided by this Ministry and Kisii labour office serves part of Kericho and Bomet, plus parts of Kepkeb Settlement areas which are under Kisii. Since this is one of the manifestations of the marginalisation and neglect of our community and, in view of the fact that the community is now in rebellion; we are considering our political options. What would this Government do to provide these services to the community?

Mr. Komen: Mr. Speaker, Sir, I have said that it is being considered. Just as I have said, we have implemented it in some other districts, like Koibatek District has got one. We are moving round the country and Nyamira will get one soon. I have said that we are implementing this on a piecemeal basis as money becomes available. We would not implement this for all the new districts which are being created. It would not be automatic but rather on a piecemeal basis.

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

Mr. Speaker: I am sorry now, we will make progress. Mr. Muite's Question is deferred.

Question No.071

KENYA'S STAND ON THE INTERNATIONAL
CRIMINAL COURT

(Question deferred)

We will now revisit Dr. Lwali-Oyondi's Question.

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

Mr. Speaker: Order!

Mr. Gatabaki: Mr. Speaker, Sir, my point of order is not on the deferred Question; I am bringing the House to order.

Mr. Speaker: Order, Mr. Gatabaki! When you are called to order, you will immediately resume your seat. What is your point of order?

Mr. Gatabaki: I have a right to speak in this House. Did you hear hon. Anyona saying that the Kisii community has been "marginalised" and that the same community is considering "taking options against the Kenyan Government."? These are very serious allegations. He is talking of a community is being marginalised and that community thinking about taking options against the Government of President Moi. Can he substantiate what they want to do?

An hon. Member: That is very frivolous!

Mr. Speaker: Order! Obviously, the House has already come to the conclusion without even having to get a ruling from me, that point of order is frivolous.

Dr. Lwali-Oyondi's Question.

Question No.168

SALE OF WATER METRES

Dr. Lwali-Oyondi asked the Minister for Local Government:-

(a) whether he is aware that water metres worth several thousand shillings, most of which were from

the Department of Water, City Council of Nairobi, were sold to Nakuru Municipal Council at prices of new water metres; and,

(b) if the answer to "a" above is in the affirmative, what steps he is taking to bring the culprits to book.

Mr. Speaker: Anybody from the Ministry of Local Government? There is nobody and, therefore, the Question is deferred.

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. Could I know exactly when the Question will be put on the Order Paper because the people are waiting for the answer? There are times when we defer Questions and they just "disappear." Could we know the day, so that we can fix it?

Mr. Speaker: Order! Normally, I would not like to pin down as to when the Question should come. But, I think it should come within a reasonable time to give the hon. Member and the Ministry time to come and answer. So, we defer it to sometime next week

Dr. Lwali-Oyondi: Mr. Speaker, Sir, could it be on Tuesday next week?

Mr. Speaker: I have heard your sentiments.

(Question deferred)

QUESTIONS BY PRIVATE NOTICE

DEATH OF MASTER ERIC OTIENO

Mr. Mak'Onyango: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

(a) What led to the killing of Master Eric Otieno, a Nairobi parking boy, on 7th June, 1997, by the Administration Police?

(b) What steps is the Minister taking to ensure that the culprit(s) is arrested and brought to book?

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, I beg to give the following reply.

(a) Investigations into the circumstances leading to the death of Master Eric Otieno are in progress, vide Nairobi Central Police Station, Inquest File No.4/97.

(b) As indicated in "a", investigations are in progress with the view of arresting the culprits.

Mr. Mak'Onyango: Mr. Speaker, Sir, this unfortunate case involved a young man, a parking boy in Nairobi, who happened to have been in the company of several of his colleagues. What I am saying here is that, there is some evidence already in place. There were eye witnesses who saw what happened. The sanctity of life is a universally accepted principle and I believe that any Government is, first and foremost, concerned with protection of life. Can the Assistant Minister tell this House under what law are the policemen in this country permitted to shoot and kill, or to beat and kill people, instead of disabbling them and arresting them?

Mr. Sunkuli: Mr. Speaker, Sir, I actually checked this matter of this young boy. I have looked at the statements which have been so far recorded by some of his colleagues. The information we have so far is that, on the 6th June, this year at about 10.00 p.m., the deceased together with the members of his group, who were parking boys were sleeping outside Odeon Cinema. It is alleged that some people who were said to have been Administration Policemen passed near that vicinity and these boys fled. It is said that the deceased had a wound on his leg and he could not run away. That is what his friends have recorded in their statement and that the next day, this boy was found dead. I have read the postmortem report and the doctor has made the findings that the cause of his death was head injury caused by blunt objects. Nobody is able to identify who these assailants were and nobody has come up with positive identification of who actually killed this boy. That is why I said that we are conducting the investigations and we hope that they will lead to the arrest of these possible culprits.

Dr. Kituyi: Mr. Speaker, Sir, I seek the indulgence of the House to say a few facts that are at variance with what the hon. Assistant Minister has said. Master Eric Otieno together with other boys who shared a dumb near Tubman lane outside Odeon Cinema were accosted by five police officers in jungle fatigues. They were beaten and he had a wounded leg and went to hospital the next day, that is the morning of 7th July, 1997. Two things emerge; that evening the police came back and other boys ran away, but Master Eric Otieno who was injured could not run away. The boys who ran away saw an Asian police officer in military fatigues together with other police officers beating up Master Eric Otieno until he was dead. His friends; Patrick Kinyanjui Chege, John Njoroge, Robert Kinyanji Chege and Timothy Chege visited Central Police Station and reported that they had seen police officers, including an Indian

policeman, beat up Master Eric Otieno and kill him.

Mr. Speaker, Sir, first of all, I wish to lay on the Table of the House a statement by Master Eric Otieno's father which, among other things, contains the following statement:- When he went to report the death of his son to the Central Police Station, the Officer in charge (OCS), Mr. Kariuki, asked him to surrender the condolences book and promised that he would assist him with transport and some money. This raises the questions as to why the OCS wanted the condolences book at the police station and why he was promising to give some money to the father of Eric Otieno, Mr. John Odhiambo Makada. Secondly, and this is more grievous: Why did the police follow the boys who had gone to report that they had seen policemen killing Eric Otieno to their dump the same day, and beat up all of them? As we speak now, Robert Kinyanjui Chege has a broken hand and Timothy Chege is lying in Kenyatta National Hospital. I visited him this morning and saw that he has a cracked skull which is too dangerous and risky to carry out an operation on. This is because part of the skull has depressed into the brain. Master John Njoroge, who was the youngest of them all, was last seen when he was in pain from broken ribs, and up to this moment nobody knows where he is. Only Patrick Kinyanjui Chege is still out on the streets. Why were these boys followed up after they had been to Central Police Station to report the killing of one of the colleagues by policemen?

Mr. Speaker: Order, Dr. Kiuyi! I am just bringing it to your attention that we still have three Questions by Private Notice. You have taken more than three minutes building up your question. Can you now put it? Be mindful of other hon. Members' interests.

Dr. Kituyi: Mr. Speaker, Sir, I will now put the question. If the police are interested in the investigation into the death of Eric Otieno, why did they follow Patrick Kinyanjui Chege, John Njoroge, Robert Kinyanjui Chege and Timothy Chege from the police station and beat them up when they got back to Tubman Lane, after they had offered, as innocent citizens, to suggest the people who had killed Eric Otieno?

Mr. Sunkuli: Mr. Speaker, Sir, I have no answer to that question because the facts the hon. Member has put to me are new. But I would like to say that I am as interested as the hon. Member to get to the bottom of this problem. If the hon. Member can be generous enough to give us more facts and assist us to get more statements, I promise him and this House that we will continue to carry out these investigations vigorously. Some of the facts hon. Kituyi has given are new to me. Since the police have been mentioned as possible suspects, it is important to look at this matter more carefully. I want to urge the hon. Members who have the facts to come up with them.

Mr. Mak'Onyango: Mr. Speaker, Sir, the fact is that the culprits are known. Could the Assistant Minister undertake to have them arrested and kept in custody while investigations are going on? This is the normal practice in this country. Hon. Raila Odinga and myself spent 10 months in custody while investigations into our case were going on. I am sure that this can be done in this case. Can the Minister give that undertaking?

Mr. Sunkuli: Mr. Speaker, Sir, as soon as I know who the culprits are, I will arrest them.

(Mr. Kamuyu stood up in his place)

Mr. Speaker: Order, hon. Members! I have five minutes left, and at the same time, I have three Questions by Private Notice left. These Questions are by Dr. Kituyi, hon. Anyona and hon. Kofa. I think, in all fairness, I will postpone the Questions by Messrs. Kituyi and Anyona to tomorrow morning. Hon. Kofa has requested that his Questioned be deferred to Tuesday next week. I will accept his request and defer his Question to next week. We will now make progress.

WHEREABOUTS OF MR. WALELA

(Dr. Kituyi) to ask the Minister for Home Affairs and National Heritage:-

(a) Is the Minister aware that Mr. Patrick Walela, who was convicted and served a jail term for being a member of FERA, was declared to have been released from Kamiti Maximum Prison in August, 1996, and has never been seen by his family?

(b) What happened to Mr. Walela?

(Question deferred)

PROTECTION MEASURES FOR CONSUMERS

(Mr. Anyona) to ask the Minister for Energy:

In view of the liberalisation of the energy sector and the subsequent exploitation of the consumers by oil companies through cartel and monopolistic practices, and while commending the Government's

effort and concerns on monitoring both the local and international prices of petroleum products, will the Minister:

- (a) Inform the House what measures the Government is taking to protect consumers against exploitation by oil companies?
- (b) Consider instituting legal measures to control and stabilise the prices of petroleum products in line with the international market trends?
- (c) Take stern legal measures against the illegal cartel and monopolistic practices in the energy sector?

(Question deferred)

SALE OF ANCESTRAL LAND

(Mr. Kofa) to ask the Minister for Lands and Settlement:-

- (a) Is the Minister aware that the six kilometres of the western bank of River Tana in Ndera Location of Tana River District has been converted into a ranch called Idassa Godana Ranch and that all the villagers living within this ranch have to vacate their premises since they have been made squatters?
- (b) Is he further aware that members of this ranch have obtained a 90-year lease from the Government and that they are negotiating the sale of this ranch with Kenya Wildlife Service for Kshs1 million?
- (c) Could the Minister take urgent steps to stop the imminent sale of this ancestral land and save the villagers undue evictions?

(Question deferred)

POINT OF ORDER

MINISTERIAL STATEMENT SOUGHT:
WHEREABOUTS OF HON. NYANJA

Mr. Kibaki: On a point of order, Mr. Speaker, Sir. I would like the Minister of State, Office of the President, to make a Ministerial Statement regarding hon. Nyanja. We know that he has been pursued by large numbers of police officers. His home has been surrounded by police officers in the evenings. Right now the hon. Member is not here because he is still being pursued by the police. Will the Minister say what the police are pursuing the hon. Member for and why they are stopping him from coming to this House and performing his duties as a Member of Parliament?

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, unless the hon. Member wants a more comprehensive statement I think it will suffice to say that nobody has stopped hon. Nyanja from performing his duties. The police are not pursuing him and he is free to perform his duties as an hon. Member, if he wants to do so. But if he wants to take a holiday under the pretext of being pursued by the police, that is his own business.

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

APPROVAL OF TAXATION MEASURES

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I beg to move:-

THAT, the proposals relating to:-

- (a) Customs Tariff,
- (b) Excise Duties,
- (c) Valued Added Tax,

- (d) Income Tax, and
- (e) Miscellaneous Measures and Taxes, contained in the Financial Statement for the year of account 1997/98 be approved.

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

The Finance Bill formulates the proposals announced in the Budget for 1997/98, relating to the liability and collection of taxes and duties, and matters incidental thereto. This is the fourth year since Kenya embarked on a comprehensive programme of economic reforms designed to de-regulate the economy and put it on the path of rapid employment generation growth. Although most of our initial objectives have been achieved, the momentum has to be maintained so as to generate adequate employment and reduce poverty. It is vital to ensure that the economy grows by at least six per cent so as to generate adequate employment and reduce poverty.

In the Finance Bill, I have continued to create an enabling environment for investors by; one, lowering the tax burden to increase retained earnings for more investments, two, removing unnecessary regulations to lower the cost of doing business, and three, making the tax system more fair and efficient. Not all the Clauses of the Bill will become effective immediately or at the same time. For example, Clause One of the Finance Bill gives the effective dates of the various Clauses. Clauses 2-16 contain proposed measures that concern customs procedures and other technical matters. The improvement of customs compliance and enhancement of the cost competitiveness of the economy has been continued by rationalising the import duty structure to three positive rates, namely: five per cent; 15 per cent and 25 per cent. Furthermore, to reduce the cost of industrial inputs, most industrial intermediate inputs in the 25 per cent tariff band have been reduced to 15 per cent and a few raw materials in the 15 per cent rate band have been reduced to five per cent. For domestic producers requiring some assistance as they adjust, temporary protection will be provided through the imposition of additional suspended duties of five per cent or 10 per cent.

Mr. Speaker, Sir, to protect farmers from volatile downward swings in world prices, a 70 per cent suspended duty has been provided for in addition to import duty at the top rate. Should the world prices on basic commodities decline sharply, it will be possible to impose suspended duty immediately to protect the local producers.

Measures will be put in place in order to minimise tax avoidance. Towards this end, penalties for offenses under the Revenue Act will be enhanced, while tight controls will be put in place in order to curb the diversion of transit goods into the domestic market. Reduction of duty on industrial diesel and fuel oil will enable the industries reduce costs and become more competitive.

Under the Excise Duty, measures have been introduced, aimed at rationalising Excise Duty rates. In this regard, Clauses 17-26 contain Value Added Tax (VAT) proposals to continue the rationalisation of VAT rates and move towards a more uniform rate structure. The gap between the higher and the lower rates has been narrowed by raising the low rates from eight to 10 per cent. Also, in order to expand the VAT base, a few more services have been made taxable. These are: Arbitration services; investigation services; goods and goods handling, warehousing and storage services.

Mr. Speaker, Sir, Clauses 27-51 contain income tax proposals. In this respect, these proposals have been made in order to reduce the tax burden on low income earners. Similarly, the tax burden on businesses will be lowered to encourage investments. Towards this end, the personal relief has been increased by 10 per cent, while income tax brackets have been adjusted by 10 per cent. These two measures will remove 152,000 individuals from the tax net. In addition, the top rates and the corporation tax has been reduced by 2.5 per cent. These measures will enable the private sector retain financial resources, which can be ploughed back to create jobs.

Clauses 52-72 contain miscellaneous measures and tax proposals. Measures are proposed as a first step towards consolidating business licences while proposals are made to share revenues between the Local Authorities and the Central Government. The reduction in stamp duties will enable businesses raise capital at a lower cost. Similarly, the elimination of licences at the Central Government level will cut costs and time and will, indeed, speed up the establishment and the operations of businesses. We hope that businesses will now spend the time saved more productively. These measures seek to make the business environment more investor-friendly.

Mr. Speaker, Sir, I want to conclude by saying that the tax measures proposed in the Bill, coupled with our commitment to continue economic reforms, will set the stage for new investments, and indeed, improve efficiency as well as create employment in order to also compete both in the region and in the global market place.

With these introductory remarks, I beg to move.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): Mr. Speaker, Sir, I rise to second this Motion relating to the approval of a number of taxation measures.

These proposals that are contained in this Motion are the ones which were announced also during the Budget

day. Moving very quickly, I want to add my own commendation to the Minister, especially in matters of the Customs Tariffs. As one can see from the Budget Speech by the Minister, a great deal of work has been done as far as the customs are concerned. Indeed, I think the most important thing which was done is the continuation of the rationalisation of the tariffs. This rationalisation which will also amount to a simplification now means that we do have about three categories of the tariff rates. These will become much easier as far as the Customs officers are concerned when it comes to the collection of the revenues. But I think there is something also in this idea which was also done as far as the customs are concerned. It was the reduction rate by five per cent of the total bracket of the custom rates, to the extent that we now have only about 20 per cent maximum rate of the customs. That has been done and, it is going to make it much cheaper for own goods and the intermediary goods to be acquired by the manufacturers. We think that is important because when the Customs Duties have been brought down, in addition to the input of the intermediate goods, that will mean that our own industries are going to be more competitive in the export market. This is absolutely important if indeed we have to expand the production of our won manufacturing industry, for this in the long term is going to lead to the creation of job opportunities.

Another thing that the Minister has done and which is fairly commendable is the fact that he has introduced an anti-dumping legislation. I think we are all aware of the fact that our own industries have suffered unfair competition from imported manufactured goods. This has happened much more during this time of liberalisation. Liberalisation itself has meant that importers can be able to import goods, they do not have to get any import licenses as was the case before and they do not have to apply for foreign exchange from the Central Bank. Therefore, that has actually meant that a lot of goods, which may be sub-standard have actually got into our own markets. Because they are much cheaper, and in some cases, they have been subsidised by the their own governments; this has meant that goods have arrived here which are much cheaper than similar goods which are produced in this country.

This has created a very unfair competition against our own industries to the extent that some of our industries have closed down while others have been forced to lay off our own employees.

Mr. Speaker, Sir, our position is simple. Substantial investments have been made to set up these industries which employ a lot of Kenyans. We cannot, therefore, afford to have substantial resources invested to be wiped out. Neither for the same reason can we allow several Kenyans to be laid-off in order to support foreign industries. So, I, therefore, want to commend the Minister for Finance for having introduced that very important legislation known as the Anti-dumping Legislation. It is my hope that this legislation is going to be implemented accordingly.

Mr. Speaker, Sir, another thing that I also want to add under the same Customs Tariff is the introduction of stiff penalties against those people who import goods from the neighbouring countries and then connive us in one way or the other and end up diverting some of those goods into this country. We know that this has happened in the case of sugar and perhaps quite a number of other products. Not only does that one happen. The price exchequer of substantial resources also affects our own industries and by the same token our own goods. Therefore, I want to say that it is a more welcome measure introduced under the Custom Tariff that an important penalty namely that any vehicle that will be caught shortlanding goods here will also be forfeited in addition to receiving other penalties that we think are important.

Mr. Speaker, Sir, another measure which is also welcome under the Customs Tariff is the one that has to do with the protection of our own farmers. Here, I refer to the introduction of the suspended customs duty of about 70 per cent in relation to agricultural products like milk, sugar and all the other things. This is because it is quite clear that the prices of some of these goods may be much cheaper elsewhere and quite a number of countries are subsidising these goods to come here. We think this is actually important. Our own farmers have got to be protected and it is my hope, therefore, that the customs officers will ensure the enforcement of that suspended duty when it becomes necessary for it to be imposed.

Mr. Speaker, Sir, I think, another important thing that one would also have to talk about has to do with income tax, given the little time that I have here. I think there are two very important measures here as far as the income tax is concerned. The first one is the reduction of both corporate and personal income tax. The high rates on these two have already been brought down from 35 per cent to 32.5 per cent. That also applies to lowering both the personal income tax and also the corporate tax. I think there can be no doubt here that as far as the industries are concerned, once we do have a much lower corporate tax, the surplus money which is going to be realised is also going to be re-invested. That is also going to create much more employment opportunities. As far as the lowering of personal income tax is concerned, let me say here that an illusion is always formed that the higher rate that you impose on personal income tax, the greater is the revenue collected. On the contrary, experience here and elsewhere demonstrates that when people are fairly convinced that the taxation they are paying is there, then they are much more willing to pay that income tax. When they find that the income tax is a penalty, or it is quite high then what normally happens is that people explore various ways to be able to make sure that they do evade paying income tax. So, this is an important one.

Mr. Speaker, Sir, another measure also within the income tax is the realisation in the Budget Speech by the

Minister, namely, that inflation has taken a very big toll especially on the lower income-earners. This has been done, first of all, by widening what we call the income tax bracket. This has been expanded, which means that people will then attain much higher rates of taxation much later than would be the case before. Therefore, that is also going to provide some taxation. The other most important measure that also accompanies that one has to do with the increase on personal benefits. As the Minister has pointed out, these expansion of the benefits has meant that over 100,000 low-income earners will be kicked out all together from having to pay income tax. This is a most welcome measure at a time when the low-income tax members do require this sort of an inducement.

Mr. Speaker, Sir, there are also many other measures which have been brought in under the excise duty and miscellaneous value added tax. I commend them and, I, therefore, second this Motion.

(Question proposed)

Mr. Obwocha: Mr. Speaker, Sir, I wish to respond to this Motion by referring to the old adage that there should never be any taxation without representation.

First, I would like to look at those taxation proposals, under the Kenya Revenue Authority. When Parliament established this Authority, we gave the general guidelines on how this Authority is going to be run. But as it is at the moment, the Ministry has not streamlined the working of the Kenya Revenue Authority. No new terms have been given to the staff. The staff are still on the old terms of the Income Tax Department, Customs and Excise Department and VAT. I am very shocked that this has not been streamlined.

Mr. Speaker, Sir, now looking at what the Minister has proposed in his tax proposals, he says that the Commissioner-General of the Kenya Revenue Authority will be responsible only for the general supervision of the commissioners. Now, what is happening is that the Commissioner-General's powers have been removed. He has been pressurised. The overall authority that he was given by this House has been reduced such that he is a toothless bulldog now because he cannot "bite". In fact, the rate that the Assistant Minister and the Vice-President and Minister for Planning and National Development have said here on these agricultural products of 70 per cent are non-existent. This is because what we are now seeing in the market is flooded sugar which has been imported by well-connected individuals in this country. So, I do not know whether the Minister has the explanation when he says in his tax proposals that he has increased rates on agricultural products like sugar, wheat and so on. At the same time, these products are being brought into the country without the necessary taxes being paid.

Mr. Speaker, Sir, I do notice under the Kenya Revenue Authority---

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Speaker, Sir. He has just alluded to the fact that a lot of these things, including sugar and others, are brought in without taxes. This is a serious allegation to make. I am not aware of any of those items being brought in without due duty. I would like him to substantiate.

Mr. Obwocha: Mr. Speaker, Sir, I have even a statement here of the well-connected people who have imported sugar. I will get it to the Assistant Minister, if he wants. Otherwise, I will table it here.

(Mr. Obwocha laid the paper on the Table)

Mr. Speaker, Sir, all I am saying is that the Minister has recommended that there should be rewards for those people who report people who are evading to pay taxes and so on. This is going to open up routes for witch-hunting. What the Minister should have done is to strengthen the department of investigation in the Income Tax Department. We do not want people following others here and there just because they think they are doing well. The Investigation department of the Income Tax Department has well trained personnel to get the tax cheats. We would like the Minister to look at this. Indeed, I do not think it is going to give the Government any revenue at all.

Mr. Speaker, Sir, we know that direct taxation is hurting most individuals and the economy in general. Most economies are moving toward indirect taxation. I am very surprised that the Minister feels that he is levying tax directly. He says:- "The tax burden arising from direct taxation can be increased substantially as a result of inflation." Yet he himself had promised last year in his Budget that inflation would be reduced to a single digit. This has not been done.

On the Income Tax measures, the increase by 10 per cent on relief is just too small. Instead of encouraging savings, for example, he goes ahead and puts limit to the pension contributions. We should allow our people to save as much money as they can afford. There is no need of putting limits of Kshs120,000 per year on the pension contributions.

The other thing I want to point out to the Minister is the rate of individual/company taxation. He says that he has reduced it from 35 per cent to 32.5 per cent. If you consider that we are now partners in the East African region,

32.5 per cent is still one of the highest taxation in the region. We would expect that the Minister, to be fair to the companies and individuals in Kenya, he should have reduced this rate to 20 per cent. That would have been fair because, if you look at Tanzania, Uganda and other countries that are joining the East African Co-operation they have reduced, indeed, their rates to as low as 18 per cent.

Mr. Speaker, Sir, let me comment on the tax proposals on the VAT. If, indeed, the Government has increased the uniform rate from 8 to 10 per cent, as being the lowest, and has also described the higher limits, they have not, even up to now, come up with a proposal on how they are collecting the VAT. This is one of the most corrupt taxes. The administration of the VAT is useless because traders, wholesalers and businessmen are keeping two receipt books. They are not remitting this tax to the Government. Yet the Minister is juggling with rates without telling this House and the country in general what he is doing to collect the revenue from these businessmen and from the VAT which is indirect taxation.

Lastly, on the Customs, the Minister says that he has instituted what he calls "a cargo control system." Now, for seven years, the Minister has been saying that they are going to computerise the services of the Customs Department. They bought computers that were fake which are laying there. The Government has paid for them, the tax-payer has lost money and yet up to now, the systems in the Customs Department are still manual. How is this Government going to collect money if one takes two weeks, three weeks and so on to clear his goods from Mombasa Port because the systems are just manual from "a", "b" to "c"? By the time you clear, you waste time, Government losses revenue and so on. This is an issue that the Minister needs to address. The computer system needs to be put into place so that people of this country can benefit.

In general, the Minister had better heed what the people of this country need. He should move from direct taxation to indirect taxation so that the people who contribute to the economy of this country are not hurt by his own measures.

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

The Minister for Land Reclamation, Regional and Water Development (Mr. Nyachae): Thank you, Mr. Speaker, Sir. Somebody is amused across the Table because a colleague from home was talking. So, they think you are sympathising with Kisii people!

(Laughter)

Mr. Speaker, Sir, I am glad that you have given me this opportunity and I am not going to talk for a long time.

First, I would like to express my appreciation for the good work the Minister for Finance is doing. I think he has helped this country, although, nature being what it is with human beings, no matter how much you do, it is very difficult to get a word of appreciation. But I would like to say, having watched how our economy has grown since 1993 when it was in doldrums up to where we are now, although we are going through certain difficulties, the Minister has done a good job.

Mr. Speaker, Sir, having said those good words about the Minister, I would like to request him to streamline certain areas, for instance, Income Tax. I think this is one of the areas where investors get very frustrated and I am going to be specific in some cases. For example, we have Central Bank regulations, where the inspectors of the Central Bank demand that when a certain loan has been defaulted by the borrower in the bank and after a certain period, you must provide for it as a loss. That is the requirement. Then, at the end of the year, having followed the Central Bank requirement, you find that the Income Tax people telling you:

"We are not accepting this provision as a loss. You must pay tax on this money which is provided for as a loss."

Therefore, you are taxed on money which is already written off in the books. This kind of arrangement is made by the same Government and the Income Tax Department which wants taxes out of money which is lost. You have provided these provisions under instructions of the same Government through the Central Bank. That kind of arrangement must be streamlined.

The other area which requires streamlining, again, is the Income Tax Department. Procedures are laid down on how they should demand tax, and how they should approach the man or company due to pay tax. However, these procedures are not followed for reasons, I suspect, are relating to the many powers that the Income Tax people have. They even have powers to go to a bank and demand money from your bank account, and they are given a cheque without any reference to you. I know of cases where income tax people have gone to a bank and withdrawn over Kshs2 million from an account of a company, and there was no reference to the company or any person. You will not realise that until you see your end of the month bank statement. That is when you will start chasing up the income tax people. If they take your money that way, getting an answer or a satisfactory reply as to why they took the money

even after they had approved your returns, takes several months. I think we need to streamline such kind of arrangement. That is a management system.

Mr. Speaker, Sir, there is also another area which requires streamlining. The Income Tax people, Value Added Tax (VAT) people and so on have a fixed period within which you have to pay a certain amount of money due to them. But there is no fixed period when you are claiming your VAT. In that period, they do not refund the money.

They hold over Kshs10 million of people for one year, or Kshs15 million belonging to companies for one year. But if I held Kshs1 million or Kshs2 million belonging to the VAT for one year, they will penalise me as much as Kshs800,000, over and above what I kept. So, either we should have a good arrangement of reciprocation where if you do not pay me my VAT when it is due, I should also be paid or penalise you the way you penalise us. I think this would be a fair arrangement and it is something which can be worked out.

Mr. Speaker, Sir, the other point which requires streamlining is the different types of taxation that the investors are going through. Apart from what has been mentioned, that is, customs duty, VAT and so on, there are also other taxes. For example, if I import grains like wheat or maize from overseas, apart from duty, there is also the VAT which I am going to pay and the inspection fee for inspecting the grains. That is paid when I open the LC. That is taxation. Then, there is what we call the Kenya Bureau of Standards tax which is paid. Then, also the KARI people take tax. So, how many taxes are the investors going to pay? Can the Minister make internal arrangements within the Ministry? Even if he is going to increase the percentage, he should take one taxation and distribute it amongst all these sections, rather than make me feel frustrated. There are so many forms to fill and different people demanding money from me. All this ends up at taxation. I think this is a very frustrating exercise. So, I would request that as you have done a good job in improving the performance of the economy, please also streamline the management of the taxation so that the farmer and the investor in the industry can feel that it is worth devoting more time to manage, as opposed to devoting so much time making returns to the Government officers.

Mr. Speaker, Sir, my final remark may sound like a kind of a complaint. Sometimes being on this side of the House, there is a mis-interpretation. But we have just come out of a period of food shortage. Going through the taxation system this year, it appears that we are actually not encouraging the farmers to produce more food. This is because the Presumptive Tax is still on the farmer. Instead of removing this tax from the farmer so that he can produce more food, we are still loading it on him. That needs to be considered.

The other very frustrating aspect which is going to affect us this year as farmers is the additional tax on fuel. This tax is in two forms under the new system this year, and this additional tax amounts to Kshs1.55 per litre. When the Minister for Transport and Communications comes here to present his budget, he is going to say that the money is going to be used to repair and construct roads. As a farmer, I do not know which roads he is going to repair and construct for me, and I have paid all the taxes for my diesel and everything. Farmers are paying millions of shillings towards this road levy or whatever you call it, and there is no service rendered out of that tax. That is where I will agree with hon. Obwocha that: "no taxation without--"

Mr. Obwocha: Representation!

The Minister for Land Reclamation, Regional and Water Development (Mr. Nyachae): Not only representation, but without services as well!

(Laughter)

So, the farmers need to see justification for this additional taxation. If they are taking taxes for the tarmacking of roads, then those people who are using the tarmacked roads should pay. But they should not take money from the farmers and then pass it on to tarmac roads for other people to enjoy while the farmer is being frustrated and cannot produce enough food for the country.

With those few remarks, I congratulate the Minister for Finance, and I support the Motion. Thank you.

Mr. Kibaki: Mr. Speaker, Sir, the Budget has proposed various measures which are going to improve the structure of taxation.

The first point to be made about the taxes which are going to be collected is a major complaint for the year which ended yesterday. This same level of taxes was collected from Kenyans. The Treasury collected large sums of money, including taxes which were presumed will be used to improve specific services, for example roads. The Minister for Finance, all the other Ministers and the Government are aware that the roads have not been maintained for the whole of 1996 and yet, the taxes were paid, including the taxes on fuel which was specifically mentioned here that it would be put on a separate account, so that it could be used to build roads. No roads have been built in this country and the taxes were collected.

The Minister did not say anything about this in his Budget, but he owes it to this nation and the Government to speak up and say that the money which was collected from the fuel levy meant for the roads did a, b, c and d. What

did the money do? Who ate it? Somebody in the Government structure ate it! The thing which we know as Kenyans is that many roads in this nation have been built and excessive amount of money paid over and above what would normally cost to repair a particular road. The money is excessively paid to the contractors, so that they in turn would share the money with whoever gave them that job. That is the trick being used. It is no secret. We live in Kenya and we know that is how the game is being played. In fact, there is no hiding of what is being done. If they are doing a 40 kilometre road from Makutano to Embu and they pay the contractor for resealing Kshs350 million, it works out to Kshs10 million per kilometre for resealing. When one looks at the job being done which costs Kshs10 million for every kilometre, one would know that Kenya is being robbed. We have technical people in this nation who know what it should cost to do that road and we know what it costs normally in the rest of the world, to reseal one kilometre. So, we know that, that 40 kilometres would have cost something close to Kshs50 million. But lo! There is over and above that, another Kshs300 million which is to be shared and eaten and that job was done in two weeks. It was a very simple job. The road was already tarmacked. It was only spraying a few potholes and the money has been paid. We have equally other roads for example, the one from Mai-Mahiu towards Narok. There is a dispute going on. The amount of money that has been spent is known. The amount of money which remains to be used is also known.

Mr. Speaker, Sir, we also have a road from Murang'a-Kangema-Kiriaini-Nyeri. A contract was given two years ago and the money has been paid out for purposes of mobilisation fees. The road has not started being done. So, we have continued to suffer. The taxes money we paid was spent and we do not know whether the job will be done now. So, what I am really saying is that, the nation is being robbed of its tax revenue and the state knows and it is sanctioning, authorising and certifying that robbery. For certifying that robbery, the state is guilty of robbery. There are no two ways out. It is simple and straight forward. They think it is hidden but every Kenyan knows how the game is being played. So, can we plead with the Minister that the money from this budget should be safeguarded from this robbery? Otherwise, Kenyans are being cheated and fleeced. They do not get the services.

Mr. Speaker, Sir, the money allocated from these taxes for the payment of drugs for hospitals--- The hon. Members in this House know that the medicines have not been bought throughout the whole year. We know that we have never had a time when a woman could take her child to hospital and get treatment because drugs were not available. We know that our doctors are getting frustrated because they want to treat various diseases but they do not get the medicines for treatment and yet, the money is being paid. I think the Minister owes it to this nation to reply to that question. We are over taxed in this nation. The state is taking 27 per cent of the GDP in form of taxes. It is higher than any other nation you know of and yet, we do not get the returns for those taxes. Equally, we are being taxed because of the inflation. The ordinary Kenyan can buy very little with his level of income because inflation is persisting. The inflation rate has never fallen to a single digit as the Minister was cheating us in the Budget. The inflation is running at 15 per cent and not 8 per cent. If one takes goods which the ordinary mwananchi buys and that is the only measure, you can use, the prices have increased by 25 per cent. That is the rate of inflation. It is not the single digit that we are being told of. That has to be reduced. For it to be reduced, the state must stop borrowing through the Central Bank of Kenya. A statement was made by the Central Bank that they were going to control that borrowing. We hope that the Minister will be on the side of the Central bank but not on the side of those who want to print more notes through the Central Bank.

Mr. Speaker, Sir, company tax should be straightened with Uganda and Tanzania. We have common markets which means that the taxes should be uniform. I am sure that would be to everybody's advantage. But Tanzania is still taxing the beer produced in Kenya. They are putting higher tax on Kenyan beer than the beer produced in South Africa. That is not the behaviour we exercise in the common market. So, we should send the Minister to talk with his colleagues, so that Tanzania, Uganda and Kenya have uniform taxes? By so doing, we shall know that we are promoting common market and co-operation.

Finally, the tax which hon. Nyachae has mentioned - presumptive tax - is double taxation. The farmer is being taxed on the gross revenue. If you sell your milk, before they know how it cost you to feed your animal, they have already taxed you on a gross figure and deduct from the source and yet, you are going to pay company tax after that. That is double taxation. If the Minister is wise, he should not double tax the farmer.

The farmer is the one who has salvaged this nation through all the difficult times. Could we plead, therefore, with the Minister so that at least, during the Committee stage he deletes presumptive tax. He is giving nothing and yet, he is making the farmer to feel so offended. It is the farmer who feeds this nation. We know that when we have to import food, this nation cannot do anything else. All our money will go to that and if you want the farmer to feed the nation, just remove this presumptive tax. It is double taxation and it is unfair. In any case, even in the theory of taxation, double taxation is unfair and unjust. In the theory of taxation, there should never be a tax on a gross figure. What is taxed---

The Minister for Land Reclamation, Regional and Water Development (Mr. Nyachae): Point of

information, Mr. Speaker, Sir.

Mr. Kibaki: Mr. Speaker, Sir, I do not want it because I have very limited time. The Minister should stop double-taxing the farmer. That is all. I know that the Minister wants to agree with me. He should whisper that to the Minister for Finance because he is his colleague.

Finally, I would like to say that we welcome the small relief that has come to the income tax payers. That is very welcome because with all the taxes that we are paying through the Value Added Tax, it is fair that people who have very low income should not be taxed on income tax.

With those few remarks, I beg to support.

The Minister of State, Office of the President (Mr. Biwott): Thank you, Mr. Speaker, Sir, for giving me this opportunity to contribute to this Motion.

Mr. Speaker, Sir, I think it is refreshing today in the House to see that the Members on the Opposition side have realised that they have to work and do their job in order to earn a honest salary. They have contributed effectively today.

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to state that we earn money without working for it when we actually report to this Parliament and fight for the good of the mwananchi?

Mr. Speaker: Dr. Lwali-Oyondi, that is your opinion. Keep it until you get your chance.

The Minister of State, Office of the President (Mr. Biwott): Mr. Speaker, Sir, I was only alluding to the days they were absent and yet, the pay was not deducted. What I am saying---

Mr. Ogeka: On a point of order, Mr. Speaker, Sir. Is it in order for hon. Biwott to impute improper motives on his colleagues on the opposite side that they were not justifying their salary, knowing quite well that the reasons for which we were not here were very much within the legal system and requirements of this country?

Mr. Speaker: Order! Order, all of you! Can we leave this issue of earning a salary? I think the person who really earned was me.

Proceed.

The Minister of State, Office of the President (Mr. Biwott): Mr. Speaker, Sir, I have already made that point. Today, these people are very helpful. We are actually articulating things that should help our own people.

I would like to congratulate the Minister for tabling a Budget that is realistic in its outlook. He is innovative, but I would like to urge him to be more aware of the forces that are trying to undermine the Kenyan economy through the recently enacted structural adjustments programmes. Free markets should not mean the destruction of our own economy. We should make sure that we protect our industries. We should not allow countries like South Africa to undermine our own industry. Our own industries are required in order to sustain and create employment in this country. Kenya has a big potential and can only realise that potential if we protect the interests of this country.

We are the only country which does not have enough money to subsidize exports. Other countries are able to subsidize their own exports and these are the ones which should be taxed so that the local industry can flourish.

Having said that, we would like the Kenya Bureau of Standards to be very active in order to ensure that goods and services that are being provided to our people meet the required standards because we do not want inferior products here. We do not want expired products here. Some products are exported to this country when they are just about to expire and this creates a problem to those people who consume them.

Inspection of goods that are imported into this country should be rigorous to ensure that what Kenyans are importing---

QUORUM

Mr. P.N. Ndwiga: On a point of order, Mr. Speaker, Sir. For the first time, hon. Biwott is saying nice things, but you will notice that he is talking to a House which has no quorum.

Mr. Speaker: Order! I suppose this time, hon. Ndwiga, you are right. Ring the Division Bell.

(The Division Bell was rung)

Mr. Speaker: Order! We have a quorum now. You may proceed, hon. Biwott.

The Minister of State, Office of the President (Mr. Biwott): Mr. Speaker, Sir, the farmer is the one who bears the heaviest burden. He produces food to feed the community. He produces food to make sure that there is no famine in this country. He produces maize, cassava, wheat, bananas and so on to feed the nation. He ensures that there is no famine. He also produces food for his own income, the sustenance of his family and for his economic advancement. To be able to do that, he has to have credit. He has to have access to credit and he has to afford all the

necessary inputs that would enable him to produce food stuffs in the most productive manner. If you look at our actions, they do not conform with that target. I would like to urge the Minister to ensure that we restore the credit facilities that used to exist in AFC so that our farmers are able to produce maize, wheat, beans and other food stuffs. We would also like the prices of items that are necessary for farming, for example, agricultural machinery, fertilizer and so on, to be reduced so that farmers can afford them.

We would also like to request the removal of the presumptive tax. Farmers are the ones who suffer. They do not have enough money and whatever they earn is ploughed back to produce the next crop. Therefore, his own profit does not enrich him as it does in other economic activities.

The price increases on fuel has a direct impact on the farmer who uses machinery. Whatever he buys goes towards the cost of his own production. Therefore, other tax relief measures such as the removal of presumptive tax, abolition of VAT and other taxes should be instituted, so that the farmer can be given the necessary support that he needs to be able to sustain production. On the marketing side, the farmer should have a buyer of last resort like we used to have for cereals, at prices that are considered reasonable so that the farmer who has disposable produce, can actually sell that produce and be able to earn money to pay for his normal sustenance as well as maintaining his farm.

Mr. Speaker, Sir, we know that the East African Co-operation is aiming at zero taxation within the Community. But there are other activities that occur in the process which tend to negate that target. For example, while we remove the external tariffs to zero, the internal taxation on Excise Duty and the rest tends to create a problem for our own commodities not only in Uganda, but also in Tanzania. For example, at present the Ministers for Finance for the East African countries are trying to reach a harmonised situation where all the taxes will be harmonised in order to facilitate a true East African market. I would like to urge the Minister to spend a lot of time and effort to ensure that the true spirit of the community is realised through harmonization of all transactions, so that nobody suffers in the process for the promotion of the community as it was originally envisaged.

Mr. Speaker, Sir, I would like to commend the Minister for introducing a new element in the taxation philosophy. The philosophy of redistributing taxation to benefit the local authorities should be done carefully on a weighted basis so that the general benefit throughout the country is given an equal weight, so that Kenyans can enjoy the same relief as others. Or enjoy the benefit of the taxation on an equal basis.

Mr. Speaker, Sir, we should also use that to penalise the local authorities, especially the town or city councils that do not pay attention to cleanliness. They should use those funds to keep the cities and towns clean; to remove all the rubbish. Because today, there is no difference between a town and a dumping pit. I think that weapon of redistributing income should be used to ensure that the mayors and the officers there clean their cities as a first priority. That would be a good move for environmental and health reasons and also for making Kenya a beautiful country.

Mr. Speaker, Sir, our hospitals today are mere structures that cannot offer the services that they ought to be offering simply because they lack staff, equipment, medicines, supervision and the responsibility. They lack volition to service the health of the people and respond to the needs of the people as they ought to. It is an area where the Minister should pay particular attention and use his auditing system. Auditors should be invading these people at random to ensure that the services that they say they have provided, including the equipment and the medicines that they say they provided have actually been provided, and hold them responsible.

Mr. Speaker, Sir, I would therefore like to commend the Minister and support these taxation measures.

Mr. Nthenge: Thank you very much, Mr. Speaker, Sir. First of all, I would like to declare to this House and to the nation that I am a big believer in taxation. That, you can tax people as much as you want, but you have to preserve that taxation for the purpose it is meant for. I would like all the money collected on taxation to be spent well on the poor and the rich people, so that we have enough services.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, our country is suffering from lack of services. Not a single Member can claim that his people are getting enough services on roads, medicine, education and the rest. This is because we are being taxed very heavily. One Economist here, who was once the Minister for Finance, has even been a Vice-President and knows Economics very well has told us that, our taxation is very high. It is not comparable to many other countries. It is one of the highest. Instead, our services have become so bad because the Minister for Finance has been unable to preserve the money he collects for the purpose he collects it for. I am completely supporting these taxation measures, that is, Customs Tariffs, Excise Duty, Value Added Tax and the rest. But I am strongly objecting to the bribery that is causing lack of service.

Mr. Temporary Deputy Speaker, Sir, if you went to hon. Nassir's constituency hospital and the Minister for Health's constituency's hospital happens to be a rural Member, except for Athi-River, or to my constituency's hospitals, you would be told: "Dawa imekwisha ama, "lete karatasi nikuandikie". That should not be the case. I am a British-trained man. Up to the age of 35 years, I was under British training. Even the Minister for Health was also under British training and we never had cases where we were asked to give pieces of paper, so that they could write the prescriptions on. Neither did we hear of a case when medicine was finished. It was unheard of that time, but now it is being heard of. I then wonder whether we were right to go and ask for Independence if we were not going to serve our people any better. We did not deserve it. Therefore, the Minister for Finance must be very strict and if necessary, resign when the Cabinet cannot allow him to spend the money on the people and not just a few crooks; influential people who are benefitting and getting rich overnight.

Mr. Temporary Deputy Speaker, Sir, I started working in December 1949 and I am a rich man in the sense that I fear nobody, I have stolen nothing and I have never been bribed. When it comes to the car I drive, the house I live in and the property I own, children who were born when I was working are having more than I have. This is because they are evading taxes. When it comes to Customs Duty, VAT or any other duty, they do not pay. They have a clever way of evading it. They hardly pay their income tax. I pay more on income tax and yet, they are ten times richer than I. Is that how to run a country? A country is like a home. It is like a business, you have got to run it properly; manage your affairs properly. I sometimes pity the Minister for Finance because I know influential people can sack him if he does not allow them to evade taxes. They run "big cars", and do not pay duty, they buy spares and do not pay VAT. This is because they are very influential and that is what I am defending him against. He should be allowed to do his work well without anybody interfering, because the Minister for Finance is supposed to pay taxes so that he can give the various Ministries enough money to render service to our people.

Mr. Temporary Deputy Speaker, Sir, some of us are getting very sick. When I found that the British Government was serving our people better than my Government and, when I was one of those who signed for Uhuru and went to Britain to demand our Independence, I did not mean that we come and enrich a few or less than one per cent and the rest of Africans suffer. That is not what I went to get from Britain. I went to get better services for my people so that when I go to hon. Nassir and when I walk in the streets, people in Mombasa can say: "Do you see, these are our leaders, good people." In fact, many of our hon. Members want bodyguards because they are not serving their people well.

An hon. Member: Kama Bw. Nassir!

Mr. Nthenge: They have bigger cars than I have, yes, but they do not have the freedom Mr. George Nthenge has? They cannot walk in Mathare, Kamukunji or anywhere with freedom and without bodyguards because they are interfering with taxation.

Mr. Mulusya: And they are thieves!

Mr. Nthenge: Taxation money belongs to all of us. It is the right of the nation. The Minister for Finance should be given all the money we can get so that he gives every Ministry enough money to service its activities. The Ministry of Education should be able to give free education according to our taxation. Now these influential people are buying cars and cars that they cannot drive and many of them have children who have finished school. We do not know why they want to be richer. Some of them say: "I want to be able to buy power. I want to be the head of state." They are mad! In fact, one should want to be a leader so as to serve the people and the nation, but not to be an individual beneficiary. This is why many countries have been cursed by God, particularly here in Africa, and that is why we are killing each other because our leaders have removed their eyes from the right target and they are aiming at a wrong target, which is the individual as opposed to the nation.

Why should I come to Parliament so that Mr. George Nthenge gains? I should come to Parliament so that my nation gains. If I want to gain as an individual, let me go into business and sell my handcrafts, expose them all over, the way I used to do in 1955/56, when I was a rich mogul!

Mr. Orengo: A rich mogul?

Mr. Nthenge: I was a very rich guy. I was actually driving the best car ever owned by an African in this City, in 1956. You can find out! I was working for 14 hours a day. I was somebody to reckon with, that is why the Africans told me that I was to be their representative in 1957, a Nairobi member, and I refused it. I am now regretting.

If I knew that I was going to die in politics, the way I am, I should have taken that over earlier. Anyway, we are back to taxation.

Mr. Temporary Deputy Speaker, Sir, I want us to support the Minister for Finance seriously and say that let this money not be stolen any more because they are stealing it. Imagine, it has even been stolen before it is voted for, a thing which has never been heard of in a nation. They go to the Central Bank and steal from there. They used to steal the money when it had been given to Ministries; like the Ministry of Health, the Ministry of Agriculture,

Livestock Development and Marketing. Now they have gone even up to the headquarters.

Mr. Orengo: They are rustling!

Mr. Nthenge: Mr. Temporary Deputy Speaker, Sir, I have a solution and I am calling on this nation now---

Mr. Mulusya: Kill the thieves!

Mr. Nthenge: Let the leaders tell me to lead them so that we can sit down, as a committee, and I will show them how to solve the problems in this country, so that we can have a good country for our great, great grandchildren in future.

Mr. Orengo: Including Moi; he should join you!

Mr. Nthenge: Oh, Yes! In fact, I have already told him that he should chair the meeting.

Mr. Orengo: No, you should chair it!

Mr. Nthenge: Because he is a very senior colleague of mine in politics.

Mr. Orengo: No, you are senior!

Mr. Nthenge: He came into this House in 1955 and he has never taken leave, he has been here throughout. I am a bit better, I go out and come back. But he has been in all the time, he knows all the tricks of the game.

Hon. Members: But he is tired!

Mr. Orengo: That is where you are right!

Mr. Nthenge: Mr. Temporary Deputy Speaker, Sir, on taxation, I want the issue of taxation to be considered very seriously by elders and senior citizens of this country, so that we make sure that everybody in this country gets proper services; whether it is on roads, medicine, education, name it, so that people will feel happy. When you go to the police after a thief has harmed you, you are told: "Hatuna mafuta" then the thief runs away. It is very wrong, it is as if we do not have a Government. When you ask where the money has gone, they say that they were given the money and it was stolen by their seniors. This is very unfair.

Mr. Temporary Deputy Speaker, Sir, I do not envy "ukubwa", but, at least, you should be a boss for the sake of your own nation. This idea of everybody wanting to be a head of state so that they can make more money should cease, I am going to show you the theory.

Thank you very much, Mr. Temporary Deputy Speaker, Sir. I beg to support the Motion.

Mr. Ogeka: Thank you, Mr. Temporary Deputy Speaker, Sir. It is of essence that for every debit, there is a credit and paying of taxation is not a matter that we can condemn, but a justification of what has been raised. It is an issue at stake. When we are talking of taxation, it should be based on what the Government intends to achieve. Kenya is widely known as an agricultural country and more often we import farm machineries duty free, but when it comes to the spares parts of the farm machineries, there is a lot of taxation, VAT included. It eventually defeats the purpose of promoting the farmer to grow the crop at a fair cost that could make him realise the profit margin. In which case, if we exempt the farm machinery from many taxes, this should go deeper and it should include the maintenance of farm machineries. You manage to have a tractor and you acquire it, but maintaining it on the road, in the farm and replacing any of the parts of that tractor has become terribly expensive to the farmers. Can the Minister for Finance look into the issue of farm machineries and save them by severing heavy taxation that makes it prohibitive in cultivating or promoting the farmer's needs.

My second point, which is the most important is that Kenya looks forward to being industrialised in the year 2020. If this is anything to go by, and not a mere say, like health for all by the year 2000, then, at least, this is the time that it has to be reflected in our taxation system. An investment in industrialisation, particularly in the rural areas, I believe, will empower the rural masses and will also increase the multiplier effect. Definitely, the revenue in the country will be trebled or increased by and large. An element of duty free investment, particularly in industrialisation in the rural areas, is agro-oriented. There is food-processing industries be it oil seed industries and the wide area of industrialisation in this country that relates to the rural areas, should be given a very independent consideration, if we really want to be serious by looking at many industrial investments as much as possible.

Further to my contribution, in raising the revenue, it is very important to look at its sources in terms of regional taxation with representation and service. There is no need for a region to raise so much money in terms of tax, be it from the crop, the income and the VAT and at the end, the tax should be only ten per cent of the revenue it gets back. There has been too much talk about marginalisation, which is a reality, of areas which contribute heavily to our Exchequer Account. The Treasury must come up and state the minimum amount of tax money to be re-invested where it is collected. It may be tax on coffee, tea, sugar, fish, cotton and so on. Unless, this is done we will deplete all those resources without re-investing in the areas from where we collect the money. The investment must be in both infrastructure and the development of the particular crop.

Mr. Temporary Deputy Speaker, Sir, I wish to ask the question: How far do our taxes uplift the standard of living of indigenous Kenyans? Do we pay tax to develop people other than the tax payer? At the end of the day, the

tax payer must enjoy benefits from the tax he pays. What is the Treasury doing to empower indigenous Kenyans to enable them participate in the economic activities of this country? We have Kenyans of the Asian, European and the African origins. Who enjoys the biggest portion of the tax money, or of import or other business, or of supply contracts in this country? We are going to make indigenous Africans of this country to be the beasts of burden. This is because they do not participate effectively in the economic and commercial activities of this country. I, for that purpose, feel that it is high the Treasury came up with a very clear policy to empower indigenous Kenyans, and enable them to participate in major commercial ventures. In the agro-sector no African supplies factory spare parts. It is high time we protected the indigenous Kenyans by giving them a total monopoly in areas like retail business. There is no need for non-indigenous Kenyans like Asians to participate in the retail business. What about distribution business? I believe that unless we protect our people by keeping certain groups of people out of the distribution business, we shall defeat the very purpose for which we are raising revenue here. Many people are competing for a big portion of the revenue we have raised from the tax payer in this country. It is a big shame to see that our local people are getting poorer and poorer. Those who have been in business for a long time have an economic advantage over others just because we have not given the ordinary Kenyan the protection he deserves. There is no time when we shall leave our people to enjoy protection from another country. They can only do that if they are refugees somewhere else. Kenyans will not resist taxation as long they get services from it. Kenyans require basic services like provision of compulsory education. There can be compulsory education if there are no economic hurdles and everybody can get it irrespective of his income.

Another basic service is health care. Health care has become almost impossible for a low income Kenyan to get, even though he is a tax payer. Management of tax money in this country questions the integrity and commitment of the Government to serve the tax payer. We have been told to cost share in education and health care, essential as these services are. Food is also a basic thing that every Kenyan needs, so as to be able to work and create wealth.

Mr. Temporary Deputy Speaker, Sir, Kenya raises enough revenue, and does not have to depend on a donors.

We can say that we do not need aid from foreign donors. We do not need this aid, as long as we can use our tax money well. I think our people should benefit from the tax money which we raise from them.

Thank you, Sir.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo): Mr. Temporary Deputy Speaker Sir, thank you for giving me this opportunity also to congratulate the Minister for Finance for the tax proposals he has made which we are debating now.

From page five of the paper proposing the taxes, at No.4, he is quoting about the suspended duty on maize, milk, rice and he queerly puts there "sugar", which we had removed when we debated the Bill here one time. He said that suspended duties of 70 per cent will be provided for these agricultural commodities; But sugar was excluded. So, I think sugar should now be excluded in this proposal. Maybe, when the Minister stands to reply he will say why sugar has been included here. But my concern is the consumers; following this up to know whether mwananchi benefits from the reduction of taxes or not. The Ministry of Finance has no means of following up to see that mwananchi for whose benefit he is reducing the taxes benefits from the reduction. I say so because the maize that is being imported with the suspended duty for the purpose of reducing famine to wananchi, is loaded into lorries and taken to markets in rural areas, particularly in my district where food is very scarce, and sold at Kshs2,400 per bag. It is sold in two kilogram tins popularly known as *gorogoro* at Kshs50. The ordinary mwananchi for whom we make these reductions and suspensions, does not gain anything. If anything, he is actually being frustrated and punished. He does not gain from our debates here. The Ministry of Finance has no means of checking on this one. This is the maize that lands in Mombasa, loaded into lorries and driven to market places and sold at very exorbitant prices.

Mr. Temporary Deputy Speaker, Sir, on page seven, the Minister is reducing excise duty on matches. I do presume that matches are going to cost less now as a result of this reduction of excise duty. But these are the type of matches where you strike five sticks to light a candle and they do not burn. I would rather buy for my mother or grandmother a box of imported matches and you strike one stick and it lights. But the type of matches on which excise duty is being reduced now, first of all, the packets are half full and then the sticks inside do not light. So, there is something wrong with our system and the Government has to check. Does the Kenya Bureau of Standards really check these matches? Does the Ministry of Finance, in trying to assist mwananchi really check to find out whether it benefits the mwananchi? I think it is better that this is checked up as well as the excise duty on cars which is being mentioned on that page. Are we going to buy locally assembled vehicles a bit cheaper now that the excise duty has been reduced from 20 to 10? There is nobody who is going to check whether hon. Osogo is going to buy a locally assembled car and whether that duty has been reduced. Despite the fact that the Minister for Finance tries so hard, our people suffer a lot because we have no system to check on what has been passed.

Mr. Temporary Deputy Speaker, Sir, coming to VAT, this is tax that actually is very painfully for Kenyans. I do not know why, and I would like the Minister to state why VAT cannot be imposed at the port of entry of the goods

imported, paid by the importers once and for all, and they in turn raise up the prices with the consumers? Those taxes are charged at the port, at the wholesaler and at the retailer, and wherever you go they say; "Value Added Tax is so much money." Is there no possibility for the Ministry of Finance to charge the VAT at the port of entry and the manufacturing factory, now that it is being streamlined to about ten and 15 per cent, respectively?

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

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

The VAT on these goods can be charged at the factory once and for all so that whoever buys them, buys knowing very well that it includes now VAT. But the person who paid that VAT is the manufacturer or the importer. Is that not possible? The Ministry of Finance should be able to tell us why they have been defeated to do it that way, rather than having receipts everywhere written on "VAT so much money" in every place even in market places in Busia rather than just being centralised by manufacturers and importers.

Mr. Temporary Deputy Speaker, Sir, let me now turn to miscellaneous taxes. I would like to touch on the Road Maintenance Levy. I strongly support the hon. Member for Othaya on what he said about our roads and how our roads are being maintained.

The Ministry of Public Works and Housing, which maintains roads and collects or is allocated this money, is the only Ministry that ridicules the performance of our Government. I am sure that yesterday, you read as I did, an article in one of the dailies about the Mai Mahiu Narok road which the Chinese are working on.

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

*[The Temporary Deputy Speaker
(Mr. Ndoto) resumed the Chair]*

An engineer persuades journalists not to publish a certain story on corruption. These journalists go to the engineer's place; he carries them in his Mercedes Benz car; he actually bargains--- A Government engineer was bargaining for journalists to get Kshs5,000 each from a contractor because he does not want a story to be published. After that, he tells them in some language that they should eat a *mbuzi*; "*nimukuria mburi*" as he said it in his vernacular. The story was in the paper yesterday, and that engineer is still serving the Government today. He has not been arrested, he got the money and even got Kshs1,000 from the journalists, and today he is still an engineer serving this Government when that story of corruption has been published. We are not assisting our people as Government Ministers.

The Assistant Minister for Public Works and Housing (Col. Kiluta): On a point of information, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, I do not want that information. I know that Ministry and the Assistant Minister comes from that Ministry. I am not interested in that information because I do not have much time.

The Assistant Minister for Public Works and Housing (Col. Kiluta): The engineer has been interdicted.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, I am told that he has been interdicted and interdiction alone---

The Assistant Minister for Public Works and Housing (Col. Kiluta): The case is in the court.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo): Well, it only came up in the papers yesterday and there are many more like that.

I would like to tell the Assistant Minister that roads are specified when advertised for tender. The tarmacking or re-carpeting is specified at half-inch and in the process, the contractor puts one eighth of an inch and he is accepted. As he moves from behind the dumping is peeling off because the lorries are passing and damaging it, and he is continuing at a quarter inch instead of half inch. The balance of that money is consumed between the engineers and the contractor. This is happening, day in, day out. It has happened in roads in Busia, and yet we are told: "They have been interdicted." I do hope that this particular one--- We are very keen. We are following up that one because that one because that was open day corruption and we in this Government are going to follow it up to see how that engineer will end up. There are many like that, who are treating this Government in that manner.

In conclusion, I would like this Road Maintenance Levy to be fairly distributed, and, I believe that the

Ministry of Finance can help us. Immediately these funds reach the Ministry of Public Works and Housing, they know where this money will go. As I have been complaining all the time, places like Busia never get any money from the petroleum levy. So, we would like the Ministry of Finance to at least use its offices in making sure that the this money is equitably distributed to all districts not just going to one or two areas only, year in, year out.

With these remarks, I beg to support.

The Assistant Minister for Information and Broadcasting (Mr. Nassir): Bw. Naibu Spika wa Muda, tunapenda Wizara ya Fedha ichukue pesa kwa kutoza ushuru wa Customs Tariff; Excise Duties; Value Added Tax, Income Tax na Miscellaneous Measures and Taxes. Ichukue pesa lakini tunataka ifanye mabadiliko; siyo reforms, lakini mabadiliko ya binadamu katika Kenya, mabadiliko kati ya umaskini na utajiri. Hatuwezi kuwa na Kenya, wengine wawe matajiri sana na wengine wawe maskini sana. Lazima kidogo tuwe na usawaziko kati ya mikoa yote ya Kenya.

Kuna ushuru ambao unakatwa (duty free) kwa machinery zote za ukulima kwa sababu ndugu zetu wako na mashamba makubwa. Sisi mashamba yetu ni bahari na ndugu zangu wa Kisumu pia wako na bahari yao. Kwa hivyo, kazi yao muhimu ni kuvua. Lakini, kila chombo tunachotumia kwa kuvua kinatozwa ushuru, hatupewi duty free. Haya maneno tumeyazungumza kwa miaka mingi, ya kwamba tufanyeni balancing, mambo mengi yawekwe kisawa, ndiyo mtu akiniambia; "ninataka reform", isiwe ya kutoa mtu au ya wivu, tunataka reform ya mwananchi wa chini, wa kawaida. Kwa mfano, kuna kuna mikoa ambayo haina viwanda na mashamba huko na madogo, basi wapewe njia ya kuweza kuishi.

Kuna mikoa ambayo haina viwanda na hakuna mazao mengi ya kilimo na inafaa tuanzishe viwanda huko. Sehemu za Kisumu na upande za Ukambani hakuna viwanda. Na kwengineko pia hakuna viwanda. Kwa hivyo, kama kuna pesa katika Treasury yafaa zipelekwe katika kila mkoa. Haifai mkoa mmoja kupewa zaidi kuliko mingine. Si vyema kwa watu wa mkoa fulani wawe hawana kazi na kazi yao iwe ni kuzunguka tu.

Bw. Naibu Spika wa Muda, pesa za Serikali ni za kuwasaidia Wakenya wote. Mikoa fulani ina barabara nzuri na daraja nzuri lakini vitu hivi havipatikani katika mikoa mingine. Je, hayo ndiyo mabadiliko ambayo Mkenya anataka? Yafaa sisi sote tuwe sawa. Kama huko kwetu Pwani, hakuna hata chuo kikuu kimoja. Sehemu nyingine kuna hata vyo vyo vikuu vinne. Na sisi ambao pia ni Wakenya hatuna hata chuo kimoja. Hii ni Kenya ya namna gani? Tunataka vyo vyo vikuu katika Mkoa wa Pwani. Ndugu yetu Keah ambaye ni Waziri Msaidizi yuko hapa na kwa sababu kesho tutaomba kura, akiulizwa maswali yafaa awe na cha kusema. Hii ni kwa sababu wavuvi watauliza ni kwa nini "tunatozwa ushuru chungu mzima na hali mazao ya mashamba hayatozwi ushuru?" Ataelezea kwetu hakuna vyo.

Bw. Naibu Spika wa Muda, kwa hivyo, mimi nilikuwa naomba kuwe na mabadiliko katika Kenya lakini yawe ya hali ya kibinadamu. Wengine tuna taabu katika maisha yetu. Mabadiliko kutaka Rais atolewe pale hayamsaidii mwananchi wa kawaida. Tumekuja hapa kujadili kuhusu matatizo ya wananchi. Hiyo ndiyo nia kubwa kabisa. Naweza kumuona mwenzangu hapa ambaye ni daktari wa ng'ombe. Atazungumzia mambo ya ng'ombe sana ili aeleze watu. Ipo haja ya Wizara ya Fedha kuchukua pesa lakini wakati wa kugawanya yafaa ifikirie kila mkoa. Na kama si hivyo basi ni taabu.

Bw. Naibu Spika wa Muda, kuna hali mbaya ya barabara huko kwetu. Tunaambiwa kwamba Mombasa ni mji wa pili kwa ukubwa lakini nafikiri nambari yake ni 100. Barabara ni mbovu na huko sisi ndio tunaotoa ushuru mwingi kule Bandari. Tunatoa ushuru mwingi kwa utalii. Lakini sisi wenyewe hatuangualiwi kisawasawa. Hayo ndiyo mabadiliko ambayo tunataka. Nawashukuru Wabunge walioko hapa. Yafaa Mkamba aongea juu ya siasa ya Ukambani wala asiongee siasa nyingi.

Mkamba hataki siasa bali anataka jembe la kulima, shamba, chakula na watoto wake wasome. Wewe kazi yako ni kusema maneno tu. Tumbo lako limejaa tele! Samahani pole sana, Bw. Naibu Spika wa Muda! Lakini kesho tutaenda kuomba kura na hali wewe hapa ulikuwa unaongea siasa tu. Kwani yule mwananchi atakula siasa? Anataka kusaidiwa. Kwa hivyo, si sote tulichaguliwa na leo raha yangu ni kuona kwamba ndugu zangu wametambua makosa waliofanya na Mungu atawasamehe kwa sababu walifanya dhambi kubwa sana.

Bw. Naibu Spika wa Muda, kuhusu mambo ya hospitali, kama husemi hapa kwamba kwenu hakuna hospitali na kadhalika--- Nikiongea juu ya Bajeti hii, ningewaomba mabalozzi wa nchi za kigeni watusaidie kutengeneza nchi yetu; watusaidie kuleta umoja. Lakini yafaa watuachie demokrasia yetu ya kuchagua viongozi wetu ambao tunataka. Lakini mambo ya kwenda kuwapa watu wa Upinzani pesa ili washinde KANU ni jambo baya sana. Nasikia wengine wanaenda Ulaya kutafuta pesa kwa sababu ya uchaguzi. Hata ukipewa milioni kumi na hujajenga nyumba ya kuku tangu uwe Mbunge, na hujafanya Harambee yeyote--- Sisi tunafanyia vijana Harambee. Tunafanyia wanawake Harambee. Juzi tulifanya Harambee kule Kisii. Wewe ni mkubwa wa siasa tu na usije kuomba kura tena. Jamani, tusipoangalia mambo yetu hayatakuwa mazuri. Basi kama mliweka akiba basi ni bahati yenu. Lakini kama hamkuwa na akiba mambo yako hayatakuwa mazuri.

Bw. Naibu Spika wa Muda, kwa hivyo, sisi sote yafaa tuwafanyie watu kazi. Tusiwadanganye watu wa Kenya. Wakenya wamekuwa werevu kushinda wanasiasa. Twendeni katika uchaguzi; siku zetu ni za mwisho.

Twendeni tukatafute mandate au heshima ya kuambiwa "sasa wewe twakuchagua tena mara ya pili ukatuombee mambo yetu." Lakini nawaambia kwamba tukienda katika uchaguzi na tuchaguliwe tena, yafaa tuje tuwatetea watu. Ni kwa nini katika hii miezi mitatu ambayo imebakia mnasema mnataka reforms. Ni kwa nini hamkusema hapo awali?

Kwa hayo machache, naunga mkono.

Dr. Lwali-Oyondi: Bw. Naibu Spika wa Muda, kwa sababu mhe. Nassir ameongea kwa Kiswahili, mimi nataka pia nizungumze kwa Kiswahili kwa sababu masikio yameshazoea Kiswahili sasa.

Bw. Naibu Spika wa Muda, mimi nasimama kusema machache kuhusu ushuru. Sisi hulipa Waziri ushuru kila siku ili Waziri akafanye kazi lakini kazi yenyewe haionekani. Tunatoa pesa lakini wananchi hawaoni chochote. Kile wanachooni ni umaskini. Umaskini umezidi. Watu kila mahali, na hasa kwangu Nakuru Town, isipokuwa sijui kile kinachofanyika mahali pengine, watu wameshakuwa maskini sana. Gharama ya maisha imepanda. Watu wanaofanya kazi katika viwanda huko Nakuru hulipwa mshahara wa Kshs1,500 au Kshs2,000. Pesa hizo hazitoshi hata kununua chakula peke yake.

*(Mr. Nassir bowed to the Chair
and crossed the Floor)*

The Temporary Deputy Speaker (Mr. Ndotto): Order, Daktari! Hon. Nassir, you have to go right up to the Bar and bow and then cross over.

(Mr. Nassir went to the Bar, bowed and crossed the Floor)

Dr. Lwali-Oyondi: Asante sana, Bw. Naibu hivi Spika wa Muda. Pengine mhe. Nassir amezeeka sana kwamba amesahau heshima za Bunge hili.

Bw. Naibu Spika wa Muda, umaskini huu umeleta matatizo mengi. Watu hawawezi kulipa karo za shule. Sasa watu hawawezi kusomesha watoto. Kuna hali ya kutojua kusoma na kuandika. Tunarudi nyuma na hali tunatoa ushuru.

Bw. Naibu Spika wa Muda, ikiwa watoto wetu hawawezi kusoma, nchi hii haina tumaini lingine lolote. Tumaini letu limekwisha tukiwa katika Serikali hii ambayo inakusanya ushuru lakini haitumii vizuri. Wanafunzi wengi wa vyuo vikuu nchini wamefukuzwa kwa sababu ya kushindwa kulipa karo. Juzi, bondi ya mikopo ilisema ikiwa mwanafunzi hatakuwa na pesa za kulipa karo na hajakata mkopo kutoka kwao atafukuzwa chuoni. Wakati huu wanafunzi wengi wamefukuzwa kwa kukosa kulipa karo. Ikiwa sisi viongozi ambao tulisoma hadi vyuo vikuu bila kulipa chochote na watoto wetu hawatapata elimu ya chuo kikuu, je, tuna matumaini gani katika nchi hii?

Bw. Naibu Spika wa Muda, karo inayohitajika katika vyuo vikuu kwa wakati huu si nyingi sana. Ikiwa tunaweza kutumia ushuru wetu vizuri tutaweza kugharamia elimu ya vyuo vikuu kwa watoto wetu bila kuwasurutisha kulipa pesa zozote. Elimu hii inahitaji Kshs2 bilioni tu kila mwaka. Kila mwanafunzi wa chuo kikuu huhitajika kulipa Kshs50,000 kama karo na iwapo tunaweza kujumulisha pesa hizi na wanafunzi 40,000 tunaona kwamba Serikali hii itahitaji Kshs2 bilioni tu. Kwa hivyo, Serikali yetu inaweza kugharamia elimu hii. Tukiangalia ripoti za PIC na PAC tunaona kwamba pesa nyingi zinaibiwa na maofisa wachache katika Serikali hii. Tunaweza kuchukua Kshs2 bilioni kutokana na ushuru ili tugharamie elimu ya vyuo vikuu hapa nchini. Elimu ndiyo msingi thabiti wa maendeleo ya taifa letu.

Bw. Naibu Spika wa Muda, siwezi kuketi chini kabla ya kutaja machache kuhusiana na barabara zetu. Waziri wa Serikali za Wilaya alisema ya kwamba watatengeneza barabara zetu zote katika mijini yetu na wala si kwa kutumia ushuru wanaokusanya lakini pesa zilikuwa zikitoka katika Benki Kuu ya Dunia. Ujenzi huu wa barabara ungeanza mwezi wa tisa mwaka jana, lakini hata leo barabara zetu zote katika miji yetu zina mashimo makubwa sana. Hizo pesa kutoka Benki Kuu ya Dunia zilikwenda wapi? Juzi, hapa Nairobi ujenzi wa barabara ulianza lakini baadaye ukakomeshwa na barabara ni mbaya kabisa, kwa mfano, barabara katika mtaa wa Eastleigh hazipitiki. Mjini Nakuru barabara zina mashimo makubwa kiasi cha kuweza "kumeza" ndovu mzima na ilhali pesa zilitolewa na Benki Kuu ya Dunia.

The Minister for Local Government (Mr. F.P.L. Lotodo): Jambo la nidhamu, Bw. Naibu Spika wa Muda.

Dr. Lwali-Oyondi: Pengine Waziri atueleze baadaye kwa vile muda wangu ni mfupi!

Ukitazama ushuru wa mafuta, hatuwezi kusema unatumiwa kiviipi. Juzi tu tulikuwa tukilipa Kshs3 kama ushuru huu kwa lita moja lakini leo tunalipa kshs4.50.

The Minister for Local Government (Mr. F.P.L. Lotodo): Jambo la nidhamu, Bw. Naibu Spika wa Muda.

Ulisikia mhe. Mbunge alipokuwa akizungumza alikuwa akinitafuta ili aniambie habari ya pesa za kurekebisha barabara kutoka kwa Benki Kuu ya Dunia. Niliposimama kumwarifu alisema muda wake ni mfupi na hakutaka kusikia jambo lolote kutoka kwangu. Kwa nini alikuwa akinitafuta?

Dr. Lwali-Oyondi: Bw. Naibu Spika wa Muda, hilo si jambo la nidhamu!

Bw. Naibu Spika wa Muda, ushuru wa mafuta tunaotowza kwa wakati huu ni Kshs4.50 kwa lita moja. Je, hizi pesa zinakwenda wapi? Zinakwenda kwa Wizara ya Ujenzi na Nyumba na hakuna barabara inayorekebisha au kujengwa upya. Kwa mfano, kuna kandarasi anayejaribu kurekebisha barabara ya Limuru lakini sehemu ambayo imerekebisha ni mbaya sana na hivi karibuni itaharibika. Hii ni kazi ya aina gani? Hata katika majengo ya Bunge, kazi ambayo inafanywa ni mbaya. Hakuna mitaro ya kutupa maji machafu, magari makubwa hayawezi kuingia hapa kwa sababu barabara hii ni mbaya na zikiingia zinaweka mashimo na kadhalika. Je, mainjinia wetu wanafanya kazi ya namna gani? Wao ni kula rushwa tu! Huu ndio wakati wa kurekebisha barabara zetu ili magari ya aina yote itumie barabara zetu.

Kwa mfano, ukienda Afrika Kusini, Ujerumani, Uingereza na kadhalika, utaona barabara zao hazina mashimo na ihali kuna magari makubwa kuliko hapa. Ikiwa kuna shimo lolote linarekebisha mara moja bila kungojea hadi kuwe na mashimo makubwa.

Ukitazama mishahara yetu ni midogo sana. Kuna wahe. Wabunge wanaopata Kshs1,000, Kshs200 na kadhalika kwa sababu ya kuchukua salary advance.s Lakini, mwishoni mwa wiki wanapotoa michango katika Harambee huwezi kuamini. Utasikia Waziri fulani alitoa Kshs500,000, Kshs1 milioni, Kshs2 milioni na kadhalika. Je, wanatoa wapi pesa hizi? Hawa ni wezi! Ninaweza kuthibitisha nikitoa nakala ya karatasi ya mishahara yetu. Utaona hawa hawana mishahara mikubwa lakini wanatoa pesa nyingi katika Harambee. Huu ni wizi wa ushuru!

The Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Dr. Lwali-Oyondi to call people who contribute generously in Harambees "thieves?" Can he substantiate?

Dr. Lwali-Oyondi: Bw. Naibu Spika wa Muda, ni kweli kwa sababu waheshimiwa Wabunge wengi hawana kazi nyingine ila tegemeo lao ni mishahara tu. Mishahara yao inaonyesha wanapata Kshs200, Kshs1,000 na kadhalika kwa sababu ya kuchukua salary advance lakini kesho wanatoa Kshs2 milioni kama michango yao na marafiki zao katika Harambee. Je, wanatoa wapi pesa hizi? Hapa ndipo ushuru wetu unakokwenda!

Mwisho, ushuru huu unatumiwa kwa kulipa Treasury Bills, mishahara na pesa nyingine zinaibiwa.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. arap Saina): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this Motion.

Kenya is one country which is highly taxed in the developing world. If this money is looked after properly and put into proper use to the specified items by items, this country would be one of the most highly industrialised countries in Africa. Where is the money going to? This is what everybody is asking? You go to the hospitals, there are highly qualified doctors in all fields, but there is no medicine. Where is our money going to?

Mr. Temporary Deputy Speaker, Sir, I am on the Floor as an elected Member of Parliament for Eldoret North, from which I am going to seek votes within a short time, and come back.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Hon. Saina, you are getting into the trap. You have to address yourself to the Chair! Do not listen to what other hon. Members are saying!

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. arap Saina): I am addressing the Chair, Mr. Temporary Deputy Speaker, Sir. In one of the divisions in my constituency, that is Turbo Division, there is an outbreak of highland malaria, and quite a number of people have died. This is very serious. They have died due to lack of drugs.

In the past, it has been a practice to prevent diseases rather than to cure them. But these days, we are surprised to see that there are no medicines or tablets to swallow to prevent malaria. Why is it that doctors wait until people become sick to the extent that they come to try to cure these people when they are on the verge of death? I witnessed one child who died in the laps of her mother! I was boarding a matatu from one area to another, and I witnessed this. I was so frightened. With this heavy taxation, we should actually be taking care of our people. We can buy simple drugs like malaria tablets which do not cost much money.

When I come to the state of our roads, there is this Road Levy Fund. A lot of this money must be going into a big hole somewhere. Otherwise, if you travel and reach just after Limuru, there is no road! There are accidents every day! In fact, that road is finished! I just wonder where this money is going to!

An hon. Member: It is going to the Harambees!

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. arap Saina): It is not a question of Harambees! This money must go to the proper account for which it was taxed! We are reaching a stage where the mismanagement of everything in this country is really out of control. There are some people who are saying that they want reforms. I do not know, but I think they have lost their brains. They do not know what reforms are. If they cannot manage this simple money, what kind of reforms are they looking for?

Mr. Temporary Deputy Speaker, Sir, any time I go to a hotel---

Dr. Lwali-Oyondi: It is KANU which is doing all these things!

The Temporary Deputy Speaker (Mr. Ndotto): Dr. Lwali-Oyondi, I think you should let the hon. Member on the Floor make his contribution.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. arap Saina): Mr. Temporary Deputy Speaker, Sir, I seek your protection. I do not want interjections from any hon. Member! I am on the Floor and I have got the right to speak freely!

When I go to a hotel and have lunch or dinner, I see VAT levy. I think this is a lot of money if all the hotels all over the country are paying this amount of money in terms of VAT levy. This must be colossal sums of money! That money must be put to proper use.

We hope, as the old saying goes; "no taxation without representation" that this Motion will go through and the money will be used properly. This is because we are getting into a situation where we have a lot of people who are very poor to the extent that they cannot even afford a meal. I think we have gone, somewhere somehow wrong, in our planning. We have been misled by the so-called International Monetary Fund (IMF) and the World Bank. We should look into our resources. Kenya cannot just have so many poor people when the resources are here. We have the resources and our land is one of the best resource. This is a base where we can produce enough food to support this country, and we have done it in the past. At one time, I remember it was in 1986, Kenya was a net exporter of food in terms of maize. Why are we now net importers of maize? The excuse is not only drought! But it is the planning and management of all the components that go into the production of this basic commodity.

I think, and I repeat it again in this House, that we need a proper financing of agriculture. This is because the economy of this country is actually on that base, that is agriculture. If you go everywhere in this country nowadays, you will find that there is no food. You wonder whether we failed to have rains last year, but we did not. We had rains and floods. In all the lowlands in Nyando valley, Banyala and even in Nairobi, there were heavy rains and floods which caused a lot of destruction. Why was that amount of water which was wasted not properly put to use? This is wrong planning! I believe it is actually the fault of mismanagement of these finances which we are now putting a Motion to tax the Kenyan people, to pay this money. I think this money needs to be looked into. The appropriation of every account must be looked into. If this is done properly, then this country will be saved.

With those few remarks, I beg to support.

Mr. Muluya: Mr. Temporary Deputy Speaker, Sir, I want to agree with hon. Saina that Kenyans are some of the highly taxed people in the world. When one asks himself why Kenyans are highly taxed, one has to look into the management of the economy for the last 15 years.

Mr. Temporary Deputy Speaker, Sir, when one looks at the Road Maintenance Levy which we are collecting, and ask where it is going, no Kenyan, including the Minister himself or the Government can explain soberly where that money goes. They can only come up with hypothesis of where the money is and they say that they have been diverting some of the money to pay some external loans. But when we ask why that is the case, they cannot say.

Mr. Temporary Deputy Speaker, Sir, why is it that we do not have our own petroleum. Why have the explorations which were carried out by foreign companies not produced results which this Government can have courage to announce to Kenyans that for the first time, "your future is bright because we have struck good and sizeable quantities of oil or gas products?". This is something which Kenyans need to be told. Mr. Speaker, Sir, we know that we have good quantities of both gas and petroleum but nobody in this Government wants to announce to Kenyans, so that we start at least, gaining some future confidence in our country. We are perpetual importers of oil and at the same time, we are repaying loans which we had borrowed long time ago. That is why these external loans which are now due are the ones which are making this Government to always increase the price of petroleum. The price of petroleum products is going up because the loans which we had borrowed after Independence in 1963 to 1978 when the Nyayo Government took over became due sometimes ago. Others which were taken over by the Nyayo Government are also falling due and we are repaying them. But this is not where the problem is entirely. The problem is that, for some of the external loans which this country had borrowed, we did not invest those loans where we were supposed to, like in the Power generation sector. Now, we are falling in arrears so much that, we are now punishing Kenyans by taxing them because of these arrears which we are now trying to service from all sources of revenue collected. When we collect money for road maintenance, some of it will go towards repaying of these loans which are long overdue.

Mr. Temporary Deputy Speaker, Sir, there is the power sector divestiture by the Government. There is a proposal which has been worked on by the World Bank and the IMF for the Government to divest from the companies that are producing geo-thermal and hydro-electric power. Today, when you go to all those companies, for example, Masinga, Gitaru, Kiambere, Kindaruma and get to---

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Jambo la nidhamu Bw. Naibu Spika wa muda. Kuna baridi sana na sisi tumezeeka. Uwaambie watuwekee joto kidogo ndio tuweze kuendelea na Mswada.

Mr. Mulusya: Mr. Temporary Deputy Speaker, Sir, you can now see the difference---We want reforms so that the tired generation can disappear from politics. We are living in an air-conditioned world and they cannot afford to be with us. When they go home now, they are going to have paining chests.

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

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

Mr. Temporary Deputy Speaker, Sir, there is a team of people who want to buy all the power generating facilities in this country. When the Government is divesting, there is a team who want to buy Masinga, Gitaru, Kiambere, Kindaruma and Olkaria geo-thermal plants. That also includes Kipevu. What they have done is that Kenya Power Company is going to own 38 per cent of all the investment and another company which is having Kenyans in it, and composed of Belgians and Canadians, is going to buy 44 per cent. The public will only be allowed to buy 18 per cent. This is a conspiracy to defraud Kenyans because when we look at the accounts of these power generating companies, there is an accumulated loss amounting to almost Kshs32 billion which they do not know who should service. Most of it is in terms of external loans repayment. All these power-generating companies do not know how much of their foreign loans have been repaid so far. They are told that the loans are being serviced by Kenya Power and Lighting Company but in their books, they are writing losses and when this clique of people buy these plants, those loans will be passed over to the public and they will take over clean companies in the same manner in which Kenya Airways was bought. We are going to keep on taxing Kenyans while a few Kenyans here, some of them Cabinet Ministers, are going to benefit from Kenyans' investment in the power-generating sector. There is another clique calling themselves "Rift Valley Development Company" who want to buy the Turkwel power generating plant. Hon. Keah is looking at me and pitying me, but I can only tell him that he does not know what happens in the Government and in the Ministry and these things are going to happen very soon. That is why today, people like Mr. Mutitu have not retired, and Mr. Gichuru, who wanted to go into politics, has not resigned because he has an exercise to accomplish in this divestiture programme. This is an ominous intention by these people. When we say: "No reforms, no Budget", these are some of the things which we are looking at.

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. Are you satisfied that hon. Mulusya should continue misleading this House and this nation about imaginations which he is formulating about companies that are going to take over assets in the Power and Lighting Company including shareholding? Are you satisfied that he is in order to continue misleading this House and the nation without laying papers on the Table to substantiate his allegations? I am challenging him to lay those papers here and now. Otherwise, he should stop maligning people who cannot even defend themselves in this House.

Mr. Mulusya: Mr. Temporary Deputy Speaker, Sir, the hon. Member is taking away a lot of my time. We are talking about reforms after they have finished this exercise.

Mr. Ndicho: Thank you, Mr. Temporary Deputy Speaker, Sir. I want to say something on this very important Motion about the management of our economy and how taxes are misused by people who are managing our Government.

First and foremost, I want to tell this Government that it is very sad for Kenyans to have fought for Independence for many years only to abuse it now. So many Africans died in the struggle for Independence. The current Kenya Government has handed over the management of our economy to foreigners subjecting Kenyans of African origin to a lot of problems. I represent a constituency that is cosmopolitan; with over 150 industries at Ruiru. Most of these industries are owned by Asians. The Government has got a duty to collect taxes so as to run the economy of this country better. There is a conspiracy between the Kenya Government and Asians of keeping workers on casual basis permanently. One of the things I came to discover about the Labour Laws is that casuals are not supposed to be taxed. That is a provision in the Labour Laws. Many Kenyans are employed on casual basis for many years and eventually make this country run without money.

The Assistant Minister for Labour and Manpower Development (Mr. Ali): On a point of order, Mr. Temporary Deputy Speaker, Sir. Can hon. Ndicho substantiate his allegation that there is a conspiracy between the Government and Asians?

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, I do not know what the hon. Member is asking me to substantiate. Why are so many factories owned by Asians keeping Kenyans on casual basis permanently? Currently, at Del Monte, we have people who have worked for 30 years---

The Temporary Deputy Speaker (Mr. Kariuki): Order! Hon. Ndicho, I think you understand what you are

supposed to do. When you make allegations, you must be prepared to substantiate them.

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, I am saying that there is a multi-billion shillings company in Thika known as Del Monte. This is a company that has kept workers for as long as 30 years as casuals and the Labour Laws provide that casuals are not taxed. When Kenyans are not taxed, who suffers? It is the Kenyan economy. I do not know what else I am asked to substantiate.

The Minister for Labour and Manpower Development (Mr. Masinde): On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member substantiate his statement? He has just said that Del Monte is owned by Asians and that it has casuals who have worked there for 30 years. I would welcome him to give me the names of those people who have worked as casuals for 30 years in Del Monte or else he withdraws that statement.

Mr. Ndicho: He has challenged me to prove to him what I am saying. I worked there as a supervisor in the pineapple plantation. I was in charge of employing these people. I was not allowed by the owners of the company to employ workers on permanent basis and when I raised the issue in 1987, I was sacked. I am the proprietor of the *Thika Times*---

The Minister for Labour and Manpower Development (Mr. Masinde): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Kariuki): Order! Hon. Ndicho is responding to your point of order.

Mr. Ndicho: I am responding to your point of order. I was saying that I am the proprietor of *Thika Times* and in every issue officials of various trade unions of these factories raise this matter. Casuals are being employed after every three months. If this Government wants more money than it is getting today, it should implore Asians to stop this habit of employing people on casual basis for many years.

The Assistant Minister for Local Government (Mr. Kamuren): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member on the Floor is trying to evade what he was asked to substantiate. He has gone further to say that he is the one who employed these people. There is a possibility that he colluded with the Asians to make sure that these people would continue working as casuals.

The Temporary Deputy Speaker (Mr. Kariuki): That is not a point of order.

Mr. Ndicho: These guys---

Mr. Magwaga: On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Ndicho should use parliamentary language. We are not guys, but hon. Members.

Mr. Ndicho: These hon. Members are taking this matter very lightly, but the person who is suffering is the voter. We are only telling you that one of the ways to raise money is through changing the Labour Laws. We should do away with this habit of keeping casuals for many years---

The Assistant Minister for Labour and Manpower Development (Mr. Ali): On a point of order, Mr. Temporary Deputy Speaker, Sir. The Government denies any conspiracy with the Asian business community.

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

*[The Temporary Deputy Speaker
(Mr. Ndotto) resumed the Chair]*

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, the other point is about---

The Assistant Minister for Local Government (Mr. Kamuren): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order! Hon. Kamuren, I think my colleague has already ruled on that issue and you should not refer to it again. Proceed, hon. Ndicho!

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, I hope you are going to add me two more minutes, because you have seen---

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. Ndicho: On what point?

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member said categorically that the Government conspired with Del Monte.

Mr. Ndicho: Not Del Monte, but with Asians!

The Assistant Minister for Finance (Mr. Keah): Del Monte and then with Asians, and he was the employer of those casuals---

An hon. Member: Yes, shame on you!

The Assistant Minister for Finance (Mr. Keah): He employed these people as casuals for 30 years. We want him to withdraw the statement that "the Government conspired". The Government cannot conspire.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order! Hon. Ndicho, did you use the words "The Government conspired with the company?"

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, I did not say that the Government conspired. I said, and I continue to say, that there is a conspiracy in the Government to steal its own money, by refusing to have casuals employed permanently.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order! Time up!

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, I had asked for two more minutes because my time was taken up by these characters here.

The Temporary Deputy Speaker (Mr. Ndotto): Hon. Kamuren!

The Assistant Minister for Local Government (Mr. Kamuren): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ndotto): Order! Order, hon. Kamuren! I am not giving you a point of order. Are you standing to contribute? Hon. Ali.

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Asante, Bw. Naibu Spika wa Muda, kwa kunipa nafasi ya kuchangia Mswada huu ili niunge mkono kidhati, kwa sababu makisio ya pesa mwaka huu inaonyesha yatasaidia maskini sana. Wengine hawaelewi, lakini ningetaka wasome taratibu zile ziliomo ndani, ndio watajua mambo yote.

Bw. Naibu Spika wa Muda, ushuru utasaidia sana, kwa sababu wale wafanya biashara wa ng'ambo kutolipa ushuru kwa miaka kumi hali wakiwa na viwanda vyao itasaidia kuwaleta watu wa biashara na viwanda kupanuka. Hapa tutapata usaidizi wa kazi kwa vijana wetu katika nchi. Ningependa kutilia mkazo zaidi kuzidi kuweko na mipango ya kurahisisha wafanya biashara wa nchi za ng'ambo ili waweze kupanua viwanda vyao katika nchi hii.

Bw. Naibu Spika wa Muda, nimependezwa kwamba, hakutakuwa na leseni za biashara katika Serikali Kuu. Jambo hili litasaidia sana lakini, lazima kuweko na kiwango kimoja katika nchi nzima kwa mipango ya local authorities na county councils katika kutoa leseni ama kutakuwa na mambo magumu kidogo. Kila mtu atapanga atakavyo na wananchi hawataelewa mambo hayo.

Bw. Naibu Spika wa Muda, juu ya kupunguza ushuru unaotozwa magari, ni jambo zuri sana kwa sababu mwananchi wa kawaida ataweza kujinunulia ingawa pick-up kumsaidia katika ukulima, kupeleka bidhaa zake na kadhalika. Lakini, vile vile, inafaa kuweko na nidhamu ya kuzuia haya magari mengi ya second-hand yanayoingia hapa nchini. Kuwa na magari ambayo si mazuri sana na hali barabara zetu si nzuri hairidhishi. Kwa hivyo, yafaa kuwe na mpango wa kuzuia magari mengi sana kuingia nchini ambayo kesho yake mengine yanaaribika na tunalazimika kununua spare parts ambazo bei yake ni ghali. Kupunguza ushuru ni jambo zuri lakini kuwe na nidhamu ya kuyaingiza magari haya kwa muda fulani.

Bw. Naibu Spika wa Muda, hali ya barabara zetu siyo nzuri kila mahali nchini. Kwa hivyo, inafaa kuwe na marekebisho ya barabara kwa vile kuna Petroleum Levy Fund, lakini hatuoni ni kwa nini hizi barabara zisitengenezwe ili magari yetu yadumu kwa muda mrefu.

Bw. Naibu Spika wa Muda, wateja hawawezi kupeleka bidhaa zao Lamu wakati huu, na ni sharti tusaidiwe kwa manowari za wanajeshi wa maji. Wale wanaotumia mabasi kusafiri, aidha wamekuwa na taabu na hawawezi kusafiri wanavyotaka, kwa sababu hali ya barabara ni mbaya.

Tunaishukuru Serikali kwa kupanga mipango ya kufungua lokesheni, tarafa na hata wilaya, ili kuleta huduma karibu na wananchi hasa katika upande wa lokesheni. Tunashukuru sana Idara ya utawala kwa kuchukua fursa na kuwaajiri machifu na manaibu wao kwa sababu huduma zinatolewa vizuri sana. Lakini tunataka Wizara ya Serikali za Wilaya, na nafikiri Waziri yuko hapa, ifanye mipango ili sehemu hizi ziwe zinawakilishwa na madiwani ili huduma za kisiasa ziweze kupanuka kwa sababu maeneo ni makubwa sana na usafiri unakuwa wa shida. Mshahara wa madiwani ni mdogo sana, hata hawawezi kununua baiskeli za kuwawezesha kutembelea sehemu zote. Kwa hivyo, yafaa waongezewe mishahara.

Bw. Naibu Spika wa Muda, jambo la Export Processing Zone EPZ ni jambo moja ambalo limetushangaza kabisa, hasa upande wa Pwani mpaka sasa. Hii zone haijarekebisha na kuwekwa katika sehemu ya Pwani. Ikiwa haiwezekani, sehemu nyingine itafutwe ili ifanywe EPZ, na panapo uwezekano iletwe hata Lamu, tuko tayari, na pia tuko na ardhi nyingi sana ambayo tutaipatia Serikali kuitumia katika mambo ya EPZ, ili wananchi waweze kupata kazi. Kazi zimekuwa haba na kwa hivyo, jambo la EPZ ni muhimu sana na lafaa kuzingatwa.

Bw. Naibu Spika wa Muda, pia ninapendekeza kwa Waziri kutoka sehemu za Mariakani kwamba yafaa awashawishi watu wa Mariakani waukubali mpango huu kwa sababu utatuletea faida kubwa sana katika uchumi wetu na kuwawezesha vijana kupata kazi hasa katika upande wa Mkoa wa Pwani.

Katika Bajeti ya mwaka huu, nilikuwa na matumaini kwamba National Youth Development Programme, ingeendelea kuwekewa kiwango cha pesa ili iwe ni jambo la kuendelea miaka yote. Vijana wetu hawana kazi, tumefanya Harambee kidogo kidogo ili kuwasaidia na, tungeiomba Serikali vile vile iwe na Bajeti ya kuwapangia vijana wapate kazi, ambayo imepungua zaidi. Ni vizuri wakati huu kina mama wameshughulikiwa katika Bajeti, lakini usiwe ni mwanzo na mwisho.

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

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Bw. Naibu Spika wa Muda, sitaki jambo la ufahamisho. Nina ufahamisho wa kutosha, maanake hawa Wabunge wa upande wa Upinzani hawaji katika michango ya Harambee. Tumewachangia kweli kweli vijana wa nchi hii yetu.

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. 'Badawy' in order to say that---

Hon. Members: That is not hon. Badawy!

Mr. Ndicho: Sorry, hon. Mohammed Ali, or whatever his name! But is he in order to say---

An hon. Member: That is not a point of information!

Mr. Ndicho: I am on a point of order. Is the Assistant Minister for Labour and Manpower Development in order to say that hon. Members in the Opposition do not participate in Harambees, especially the one for National Youth Development Fund, when we very well know that President Moi announced in December last year, that this money should be dispensed off in January this year and, now we are in July and this money has not been given to the youth?

The Temporary Deputy Speaker (Mr. Ndotto): What is your point of order?

Mr. Ndicho: Is the hon. Assistant Minister for Labour and Manpower Development in order to mislead us and the House, that we do not participate in Harambees, when we know that this money was meant for campaigns and it is now awaiting disbursement?

The Temporary Deputy Speaker (Mr. Ndotto) Order, hon. Ndicho! You had no point of order whatsoever to raise. Can you continue, Mr. Ali?

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Bw. Naibu Spika wa Muda, nasikitika sana kuona kwamba mhe Ndicho yuko nyuma kuhusiana na maelezo yangu. Pengine hasomi magazeti au hana watu wanaoweza kumweleza kilichofanyika. Sehemu yangu ilizipata pesa hizo. Niliposoma magazeti niliona kwamba Mkoa wa Kati ndio uliopata kiasi kikubwa zaidi cha pesa hizo.

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

The Temporary Deputy Speaker (Mr. Ndotto): Hon. Ndicho, I hope now you have a point of order!

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, is he in order to say that I am behind news and do not read newspapers when I am a publisher of a news magazine? How can I be a publisher if I do not have time to read newspapers? It is the same newspapers which are telling us that this money has only been given out in KANU zones like Mathioya.

The Assistant Minister for Labour and Manpower Development (Mr. Ali): Bw. Naibu Spika wa Muda, hayo yamemtosha na nitaendelea. Tungependa mipango ya kuwastawisha vijana na wanawake iendeleo milele na milele. Tutaendelea kuichangia katika mikutano ya Harambee kila mwaka mpaka tutakapoona kwamba vijana wetu wamestawi kiuchumi. Tunaangalia maslahi ya vijana wa kesho, lakini hatuwafikirii watu kama mhe Ndicho.

Inafaa zahanati zisambazwe vijijini. Jambo hili ni muhimu sana kwa sababu lisipofanyika, afya ya wananchi itadhoofika.

Kwa hayo machache naunga mkono.

Mr. Mathenge: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to make comments on this Motion. I have been in this House now for nearly five years. Every year I have been one of the hon. Members who endorse what the Minister for Finance has submitted to the House. In spite of the fact that every year the amount of the Budget has been increased I have not noticed a corresponding rise in the living standards of our people. I have, however, noticed that a clique of privileged people have become filthy rich. They have enriched themselves from Government money embezzled from right, left and centre.

An Hon. Member: Like Dr. Misoi!

Mr. Mathenge: Take the example of what was discovered---

The Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development (Mr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Ndicho in order to make a very serious allegation that I have enriched myself? He has shouted my name! Can you protect me?

The Temporary Deputy Speaker (Mr. Ndotto): Order, hon. Misoi! Hon. Mathenge is the person on the Floor. That is the only hon. Member you can challenge. I think what other hon. Members say when they are seated

is not official.

Mr. Mathenge: Mr. Temporary Deputy Speaker, Sir, I will continue and leave them to argue. Sometimes I feel bored to sit in this House and see hon. Members, including myself, frittering away our most valuable time talking about things that never happened. Instead of this being a serious House of people's representatives it has been relegated to a position of a toothless bull dog. We talk but very little is seen happening outside it.

The Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development (Dr. Misoi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Mathenge to talk about this House in a language which is so disrespectful of this National Assembly? Is that in order, when they were the ones who messed this House during the Budget day?

The Temporary Deputy Speaker (Mr. Ndotto): Order, hon. Mathenge! I want you to withdraw your remarks, that this House has been reduced to a toothless bulldog. Could you withdraw and proceed?

Mr. Mathenge: Mr. Temporary Deputy Speaker, Sir, you want me to withdraw?

An hon Member: Do not withdraw.

Mr. Mathenge: Let me continue---

The Temporary Deputy Speaker (Mr. Ndotto): Hon. Mathenge, I have asked you to withdraw that remark.

Mr. Mathenge: Okay, Mr. Temporary Deputy Speaker, Sir. I do insincerely withdraw.

Hon. Members: Insincerely?

The Temporary Deputy Speaker (Mr. Ndotto): Order! Hon. Mathenge, I have allowed you to contribute, but I have not allowed you to take the time of the House without contributing. I am asking you a simple question: Will you, please, withdraw that remark and proceed?

Mr. Mathenge: Okay, Mr. Temporary Deputy Speaker, Sir. I will not mince my words any more because I respect the Chair. I withdraw so that people who do not want to be exposed may feel happy. But that is not the end of the story.

We saw what happened here on Budget day, although I was not in this House. I still support--- If I were here I would have supported the Opposition. But that is not what I want to talk about, I want to talk about the declining living standards of our people inspite of the fact that we count Government money in billions. When you consider the taxes collected by this Government, and you relate these taxes to visible development that one can see, you find that all the money collected is embezzled by those who are in a position to embezzle and the poor mwananchi is loaded with these taxes of VAT, Customs Tariff, Excise Duties, Income and Miscellaneous Measures and Taxes. Even food itself has become inaccessible to the ordinary people, but those in authority can choose what to eat. The ordinary man has no choice, he can eat beans and maize while others go to high class hotels and ask for choice beef.

We have been hearing of the clamour for "change the Constitution". It sounds as if the call for a change of the Constitution is anathema to some people. Perhaps we should ask for the change or review of the Chief's Act, the Public Order Act, the Preservation of Public Security Act, the Penal Code and the Police Act. We should review all those even without talking about the Constitution. Let us take the simpler ones. The ones I am asking to be changed are the laws being used to oppress the wananchi regardless of whether they belong to KANU or the Opposition. So, we must review those Acts so that the mwananchi we represent in this House will feel that he has *bona fide* representatives and that he voted for people who matter and who are sympathetic to the calls of the voters. But for us to come here either on the KANU or on the Opposition side and just rubber stamp whatever is brought to this House, is not what the mwananchi elected us to come here for. Mwananchi expects guidance, leadership and protection from us. But are we really providing that guidance, leadership and inspiration to our people? We look at them suffering, you even find so many of them outside the gate here waiting for their Members of Parliament to give them hand-outs because they are jobless and they want something to eat. They will take whatever you give them and go and buy whatever they can buy. Are we happy to see our people suffering like that while we bask here in the so called "warmth of affluence" on the KANU side? We must consider these things seriously. As we are approaching elections, I would like to address the KANU side and ask them one simple question.

Have they used their influence as leaders in Government to bring about a change for the betterment of our peoples lives? Or are they here just to oppose what comes from the Opposition side? Are they only here to vote as a bloc so as to show that KANU has the numerical strength over the Opposition and, therefore KANU regardless of our strength, they will use their numerical power to show that they are ruling? That is a false belief on their part because you cannot continue ruling poor people forever. One day, due to poverty, those people will want to liberate themselves from poverty and those who have will experience the might of the have-nots, I want to tell you this, you people on the KANU side: Time has come for you to see the signs of the times coming and you should start asking yourselves whether you are on the right track, or you have derailed or whether really you, as leaders now in power can change things for the better? If you are going to be influenced by sycophancy so that you can always sing that "KANU yajenga

nchi; Moi Juu", one day you will find yourselves in turmoil.

With those few marks, I oppose the Motion.

Bishop Njeru: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the chance to contribute to this Motion. I want to register my support for this Motion and I want to register also why I, in particular, as a Member of Parliament boycotted the Budget.

QUORUM

Mr. Moiben: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is there a quorum in the House?

The Temporary Deputy Speaker (Mr. Ndotto): We do not have quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Ndotto): Order! We have a quorum now. You may proceed, Bishop Njeru.

Bishop Njeru: Thank you, Mr. Temporary Deputy Speaker, Sir. I want to register my disappointment because I am back in this House whereas I had boycotted the Budget Speech.

Mr. Temporary Deputy Speaker, Sir, for the last four years, I have been supporting the Budget that has been laid on the Table in this House. I have been very much discouraged because for the last four years in my constituency there are no good roads in spite of endorsing those Budgets, no drugs in hospitals and so on. Under everything that we have been approving here as Budget, people of Mwea have not been benefiting. That is why I was one of those hon. Members who boycotted the Budget Speech and even now I would still say, "No reforms, no Budget!"

(Applause)

It was surprising for those hon. Members who remained in this House, to have the Budget passed within three days instead of debating it for the seven days. They hurriedly endorsed the Budget within three days.

Mr. Temporary Deputy Speaker, if that is the case, I wonder how many of the hon. Members on the other side will benefit from that Budget they have endorsed here because in some of their own constituencies there have been no good roads in 1994, 1995 and 1996. I wonder even now, when we are going for the general election, whether this Budget will help us.

This Budget, if we cared and then managed Budgets that have been laid on this Table, of course, we would have improvement in our country and I would have agreed with those people who are saying that we have constitutional reforms after general election. According to me, it is only hon. Ken Matiba who understands what is going on in Kenya. Others do not know anything! If this man was given a chance to be a President of this country, corruption would be stumped out within a day! We can see why he was complaining and Mr. Shikuku was also among those people who were complaining about the Asians of this nation. Why is it that before Independence, Asians could not go to the hotels, they were not eating with us and so on, but today they have gone to the villages now to do business instead of us Africans who fought for Independence benefiting? Now, they are in Kimbimbi, Wanguru, Karoti and so on. Where are our children going to do business? It is very sad for this House to allow the Asians to continue---

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ndotto): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 2nd July, 1997 at 9.00 a.m.

The House arose at 6.30 p.m.