

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 9th July, 1997

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

## PRAYERS

## NOTICE OF MOTION

### VOTE OF NO CONFIDENCE IN THE GOVERNMENT

**Mr. Orengo:** Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, this House resolves and declares that it has no confidence in the Government of Kenya in particular for the following reasons:

- (i) The Government has refused to accede to the demands of the people of Kenya for constitutional reform and democratisation.
- (ii) The Government is insisting on holding general elections without first establishing an impartial and independent Electoral Commission without enacting an appropriate electoral law and code and without the creation of a level playing ground for free and fair elections; and,
- (iii) The Government has mismanaged the economy and misgoverned the country leading to corruption, poverty, unemployment and the collapse of the infrastructure, education, health and public institutions and services.

## ORAL ANSWERS TO QUESTIONS

*Question No.346*

### VALUE OF ASSETS OF FORMER CIVIL SERVANTS UNION

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

- (a) What was the total value of assets left by the former Civil Servants Union; and,
- (b) how much revenue to-date has been realised since the Union was de-registered; and,
- (c) how are the civil servants benefitting from these assets.

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

(a) The total value of the assets left by the former Civil Servants Union was Kshs2,330,996. This is as per the union's last annual return filed with the Registrar of Trade Unions for the year ended 31st December, 1978.

(b) No revenue has been realised since the union was de-registered. This is because at the time of de-registration, the union had liabilities made up of bank overdrafts, audit fees and a loan at the Barclays Bank and outstanding rates due to the City Council of Nairobi. The bank and other creditors put up for sale the nature house and other properties owned by the Union to recover their money.

(c) For reasons given in (b) above, there are now no assets of the union which could generate income to benefit civil servants.

**Mr. Sifuna:** Mr. Speaker, Sir, arising from that reply, could the hon. Minister table in this House the details of those items or assets that belonged to the Civil Servants Union and to-date are not able to generate any revenue?

**Mr. Koech:** Mr. Speaker, Sir, at the moment, I do not have any document to table here, but I have got detailed information on the assets which the Civil Servants Union had at the time of de-registration. The assets were land and buildings which were worth Kshs1.7 million. It had plots in Mombasa which were worth about Kshs160,000. In Embu it had plots worth about Kshs77,000. In Kakamega it had plots worth about Kshs1,500. It also had motor vehicles by the registration numbers KQC 966 which was worth Kshs24,201; KRB 021 which was worth Kshs49,462;

KRB 828 which was worth Kshs64,788 and a motor cycle worth Kshs1,429. It also had office equipment which was worth about Kshs118,726. Furniture and seats were worth about Kshs18,772, library worth Kshs1,537 and cupboards and curtains worth Kshs11,225. The then current assets were worth Kshs63,674. The total assets were worth Kshs2.3 million.

**Mr. Mbeo:** Mr. Speaker, Sir, arising from the answer by the Minister, could he tell this House if there were any audited accounts for the Civil Servants Union before the de-registration of the union? If so, could they be tabled in this House?

**Mr. Koech:** Mr. Speaker, Sir, in my answer, I said that according to the returns of the Registrar of Trade Unions for the year ending 31st December, 1978, that was the position.

**Mr. Muite:** Mr. Speaker, Sir, under part (b) the Questioner is asking how the civil servants are benefiting from these assets. Does the Minister concede or agree that the most effective way in which the civil servants can benefit from these assets is by this Government stopping to continue violating the civil servants' constitutional freedom of association and re-register the Civil Servants Union so that they can truly enjoy these assets? Does he agree or does he refuse?

**Mr. Koech:** Mr. Speaker, Sir, if the hon. Member could have been in Parliament this morning, that question should not have arisen.

**Mr. Sifuna:** Mr. Speaker, Sir, since the Government sold these properties to recover the loans that the union owed various financial institutions, could the hon. Minister tell this House whether or not the officials of the Union were there to confirm that the amount realised was actually equivalent to those items that were sold in order to recover the revenue or the Government just decided to loot the properties of these people?

**Mr. Koech:** Mr. Speaker, Sir, all interested parties were involved.

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

*Question No.352*

CONVICTION OF ASSISTANT CHIEF

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

(a) if he could confirm or deny that the Assistant Chief of Bubala Sub-location was convicted and put on probation for 18 months for whipping a fifty four (54) year old lady; and,

(b) if the answer to "a" is in the affirmative, if he could inform the House when the post will be declared vacant.

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

(a) Yes, I am aware that the Assistant Chief for Bubala Sub-location was convicted and given a suspended sentence.

(b) The chief has appealed against the sentence and once the appeal is heard and determined, the office will take the appropriate disciplinary action.

**Mr. Shikuku:** Mr. Speaker, Sir, arising from that reply, is the Assistant Minister aware that even in the judgement it was stated clearly that he is completely unfit to be an assistant chief because he abused that office by behaving in the way he did to an unarmed old woman? He whipped her to such an extent that she has never recovered from beating. **Mr. Sunkuli:** Mr. Speaker, Sir, I am aware, but he has appealed against that judgement. So, as soon as the results of the appeal are out, I will make an appropriate decision.

**Mr. Nthenge:** Mr. Speaker, Sir, can the officer be stopped from working until the matter is fully resolved?

**Mr. Sunkuli:** Mr. Speaker, Sir, the procedure is that when a case is filed against civil servant, he is interdicted. The hon. Shikuku can confirm that the chief is actually not working.

**Mr. Shikuku:** Mr. Speaker, Sir, I agree that the chief is not working. Could the Assistant Minister assure this House that whatever the outcome and taking into account the beastly way he behaved towards this lady, he should not serve under this Government because he disgraced it?

**Mr. Sunkuli:** Mr. Speaker, Sir, the appeal by the chief is against the conviction. If the appellate court finds that he did not commit the offence, I will have no other ground to make that decision. But if the judgement of the lower court is upheld, then I undertake that he will not work again.

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

*Question No.265*

PLANS TO TACKLE STREET CHILDREN PROBLEM

**Mr. Speaker:** Is hon. Robert Mungai not here? We will move on to the next Question.

*Question No.442*

ESTABLISHMENT OF IRRIGATION

SCHEMES IN GARISSA

**Mr. Shidie** asked the Minister for Land Reclamation, Regional and Water Development, in view of the abundance of Tana River water, if he could consider establishing major irrigation scheme in Garissa to alleviate poverty.

**The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale):** Mr. Speaker, Sir, I beg to reply.

My Ministry would consider establishing a major irrigation scheme in Garissa so long as the project is proposed by the respective development committees and then prioritized by the Garissa District Development Committee (DDC).

Mr. Speaker, Sir, it is important that the Garissa people are sensitised about the project well in advance because the involvement of the Government would be limited to development and provision of the main facilities to the project while local community would be required to take up crop production.

**Mr. Shidie:** Mr. Speaker, Sir, over 70 per cent of Garissa residents are "living in below the poverty line" or abject poverty. Establishment of irrigation scheme in the district would alleviate the problem of the district. The answer given by the Assistant Minister is misleading because this has already been prioritized by the DDC and, in fact, it is a priority project. Now, that he knows that it is a priority project, could he consider establishing an irrigation scheme?

**Mr. Ligale:** Mr. Speaker, Sir, according to the priorities that we do have in our files, this particular scheme is ranked as number three. There are other projects which have been prioritised ahead of it and this is why I stated that it is up to the DDC to tell us that it is priority number one. We are willing to undertake the project, but the people must be prepared to prioritise it and once it has been put into place it is for them to actually undertake the farming.

**Mr. Salat:** Mr. Speaker, Sir, I think the Assistant Minister is misleading the House because there is a very big irrigation scheme in Tana River called Bura Irrigation Scheme. That was the phase one of a major irrigation scheme to be undertaken by Government along the Tana River District. Long before I joined Parliament in 1988, in 1985, the Government agreed to start a major rice irrigation scheme on the eastern bank of the Tana River which is in Garissa. What has become of that plan because up to now nothing has been done and the Assistant Minister is telling us that this matter has not been prioritised by the DDC?

**Mr. Ligale:** Mr. Speaker, Sir, I am not aware of a major irrigation scheme to the east of Tana River. I am aware of three small schemes, namely, Balabala which will cover an area of 16 hectares, Bois Farm which will cover area of about 20 hectares and Khaira that would cover an area of ten hectares. Those are on our books and we are working on them, but the major ones which hon. Member is referring to, I am not aware of.

**Prof. Mzee:** Mr. Speaker, Sir, the Assistant Minister who is a friend of mine had indicated that this is priority number three among the projects to be undertaken by his Ministry. Can he inform us which are these priorities number one and two because this irrigation scheme should have been priority number one?

**Mr. Ligale:** Mr. Speaker, Sir, I think my friend on the other side misunderstood me. I did not say we have prioritised it. I said the DDC in Garissa has prioritised projects number one and two, and an irrigation scheme comes as number three. The first one, in accordance with their own priority, is establishment of rehabilitation of the existing irrigation schemes; then number two, it is the establishment of a rural technology development centre.

**Mr. Salat:** On a point of order, Mr. Speaker, Sir. Either the Assistant Minister is deliberately misleading this House or he does not know the answer which he has. The Question is asking about the irrigation schemes in Garissa and Balabala Irrigation Scheme is one of the scheme that has been asked by the hon. Questioner. How can he say that the matter has not been prioritised by DDC?

**Mr. Ligale:** Mr. Speaker, Sir, I do not get the point of order. I have said that in terms of a major irrigation scheme, this does not fall as priority number one; and I have given priority number one and two. I have also said that Balabala and these other small schemes are really small-scale schemes and these are already in progress.

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

*Question No.256*

CONSTRUCTION OF SEWERAGE  
PLANT IN MIGORI TOWN

**Mr. Achola** asked the Minister for Local Government when a sewerage plant would be built to serve the residents of Migori Town.

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

A sewerage plant will be built to serve the residents of Migori Town after the completion and approval of Migori Integrated Development Plan (MIDP) now under preparation.

MIDP is a five-year Local Authority Development Programme for the Municipality. The preparation for the plant is being undertaken by Migori Municipal Council in collaboration with donor agency of Netherlands. Six projects have been identified under this programme namely; sewerage project, water supply, market and bus parks, town roads, street lighting, mortuary/cemetery and stadium.

A draft of the plan will be discussed between the Council and the Ministry from 20th July, 1997.

**Mr. Achola:** Mr. Speaker, Sir, I wish to thank the Assistant Minister for that very comprehensive answer. But I would like to be enlightened as to what the criteria is for determining when and what else to give to the various local authorities in terms of securing projects. What criteria does the Ministry use to help the local authorities with these types of projects?

**Mr. Kamuren:** Mr. Speaker, Sir, we are not talking of the local authorities. We are talking of Migori Municipal Council in particular. This Question is specifically for this particular municipality.

The criteria used is the funding. Once the amount of money that is being negotiated by this municipal council from the donor agency, which is Netherlands in this case, is got, all the six projects will be done.

**Dr. Kituyi:** But what is the criteria?

**Mr. Kamuren:** The criteria is money!

**Dr. Kituyi:** On a point of order, Mr. Speaker, Sir. Is hon. Kamuren in order to totally misunderstand the word; "criteria", as to tell us that the criteria for prioritising projects is the amount of money? Could he answer the question? What criteria are considered in prioritising from number one to number six of those projects?

**Mr. Kamuren:** Mr. Speaker, Sir, these are projects within the Municipal Council of Migori. There was no other criteria except to look at them in terms of priorities. They have listed the projects. Immediately they get money from the Netherlands, they will do the projects according to the laid down procedure.

**Mr. Achola:** Mr. Speaker, Sir, obviously, hon. Kamuren does not understand the meaning of the word; "criteria". But let me put it this way: Migori Town has got a population of more than 250,000. Out of those people, only six per cent have running water. The rest of the town is not covered by any piped water at all. Generally, the human waste is discharged into the nearby Migori River, thereby creating a health hazard in the town.

Therefore, what I would like to know from the Assistant Minister is: Why was it not necessary to provide a sewerage system earlier than now? This is because you are now telling us it is five years since Migori was made a town council. Could the Assistant Minister tell this House the criteria he uses to determine when the Ministry can help the local authorities to establish their sewerage systems?

**Mr. Kamuren:** Mr. Speaker, Sir, there are so many criteria that were looked into to determine the situation as it is. What is happening is: In these five years, they lacked services because there was no money at all. But now that there is this donor agency that is coming in to negotiate funding with the Municipal Council of Migori, and once they give the money, these projects will be done accordingly.

*Question No. 080*

PAYMENT OF SALARY ARREARS TO MR. OHADHA

**Mr. Mak'Onyango** asked the Minister for Transport and communications:-

- (a) whether he could inform the House what the salary scale for a Grade 1 Motor Mechanic with the Kenya Railways Corporation in the years 1984 and 1995 was;
- (b) the number of the employees of the Corporation who have proceeded on their retirement and are yet to be paid their full retirement benefits; and,
- (c) whether he could ensure that Mr. Martin Adika Ohadha, Grade 1 Mechanic with the Corporation is paid Kshs216,000, being the amount by which he was underpaid between the years 1984 and 1995.

**The Assistant Minister for Transport and Communications** (Mr. Morogo): Mr. Speaker, Sir, I beg to reply.

(a) The salary scale for a Grade 1 Motor Mechanic with the Kenya Railways Corporation in 1984 was K£774 minimum, rising to K£1,044 maximum. In 1995, it was K£2,598 minimum, rising to K£3,378 maximum.

(b) There are 201 retirees who have not received their full retirement or terminal benefits as at 31st March this year.

(c) The Corporation is making arrangements to fully settle all the balances within the next four months.

**Mr. Mak'Onyango:** On a point of order, Mr. Speaker, Sir. He has not answered part (c) of the Question! Part (c) refers to an individual!

**Mr. Morogo:** Mr. Speaker, Sir, I said that all of them, including Mr. Ohadha, will be paid.

**Mr. Mak'Onyango:** Mr. Speaker, Sir, arising from that grossly, untruthful and inaccurate answer, could the Assistant Minister tell the House why it has taken this long, and why the Corporation has never at any given time, responded to all the correspondences from Mr. Ohadha, and the other 201 retirees, whose benefits are still being held by the Corporation?

**Mr. Morogo:** Mr. Speaker, Sir, the Kenya Railways has been having financial problems, and the hon. Member will appreciate that to reply to correspondence from 201 individuals is a tedious exercise. But the Corporation is now working so as to pay all the 201 retirees their benefits.

**Mr. Mak'Onyango:** Mr. Speaker, Sir, as I have said, the answer given by the Assistant Minister is totally untruthful, Mr. Ohadha was, in fact, earning K£2,690 up to the end of 1994 and 1995. In other words, for those two years, his salary was stagnant at K£2,690 and not K£3,850 as stated in the Assistant Minister's answer.

**Mr. Morogo:** Mr. Speaker, Sir, the increment in salary in the Corporation does not follow automatically like in other organisations. Some of the employees do not receive the automatic increases. I would imagine Mr. Ohadha was one such case. It was not automatic that he would get that increase.

*Question No. 277*

MISMANAGEMENT OF CO-OPERATIVE  
SOCIETIES IN MACHAKOS

**Mr. Mulusya** asked the Minister for Co-operative Development:-

(a) how many coffee farmers' co-operative societies in Machakos District have been reported to the Commissioner of Co-operatives as having been mismanaged by their management committees between January, 1993 and 31st December, 1996;

(b) which of these has the Commissioner instituted investigations/probe and which ones have the management committees or the chairmen been found guilty of mismanagement; and,

(c) what action he has taken against those found guilty as per the probe reports in his possession.

**The Minister for Co-operative Development** (Mr. Munyi): Mr. Speaker, Sir, I beg to reply.

(a) Between 1993 and 1996, the following co-operative societies were reported to the Commissioner of Co-operatives. They are Muka Muku Co-operative Society Limited, Katelembo Co-operative Society Limited and New Iveti Co-operative Society Limited.

(b) The Commissioner of Co-operatives did institute investigations into the affairs of all the three societies on receiving the reports. I am glad to tell the hon. Member that the members of the management committee of Katelembo Co-operative Society Limited were surcharged. As a result, that surcharge must be paid because they were found guilty, and the hon. Member is aware of that.

**Mr. Mulusya:** Mr. Speaker, Sir, my Question states as follows:

"How many coffee farmers' co-operative societies in Machakos District have been reported to the Commissioner of Co-operatives as having been mismanaged by their management committees between January 1993 and 31st December, 1996."

I did not say 1953 as the Minister says, but 1993.

Be that as it may, can the Minister now tell this House if investigations have been done in Muka Muku Co-operative Society and the New Iveti Co-operative Society and if so, what were the findings and what action has been taken? He has only told us about Katelembo Co-operative Society.

**Mr. Munyi:** Mr. Speaker, Sir, as I have already stated there was mismanagement in those co-operative societies as a result of which the Chairman, Mr. Nzioka, Vice-Chairman and nine other officials were surcharged. They were asked to repay Kshs800,000.

**Mr. Mulusya:** On a point of order, Mr. Speaker, Sir. The Minister has not answered my Question. He has said that the officials of Katelembo Co-operative Society were surcharged for mismanaging the society. What about

Muka Mukuu Farmers Co-operative Society and the New Iveti Farmers' Co-operative Society? Can you talk about those two. Forget about Katelembo which you have already told us about.

**Mr. Munyi:** Mr. Speaker, Sir, I would like to tell the Member about the other co-operative societies. It was found that the officials of New Iveti Farmers Co-operative Society had mismanaged it. We then directed that elections should take place and those members who were there should not be allowed to contest. We took action and now we have a commission.

**Mr. Nthenge:** Mr. Speaker, Sir, the Minister has not said what punishment these people were given?

**Mr. Munyi:** I have already said that those people who were found to have mismanaged Katelembo Co-operative Society have been dealt with. I have also explained that those who were found to have mismanaged New Iveti Co-operative Society will not be allowed to continue doing any activities there or even to contest.

**Mr. Gatabaki:** Mr. Speaker, Sir, I must thank the Minister for the answer he has given. I have talked to the Minister about the coffee farmers in Githunguri and elsewhere in the country who are also facing the same crisis. I think the crisis affecting the coffee industry centres on the Commissioner of Co-operatives. Here we have got somebody who is not accountable even to the Minister. Can the Minister tell this House what powers the Commissioner of Co-operative has and whether he is answerable to the Permanent Secretary and the Minister because the problem in coffee industry relates to the powers given to the Commissioner of Co-operatives?

**Mr. Munyi:** Mr. Speaker, Sir, the Member is aware of what happens. Even in his constituency, I did intervene in a co-operative society that was facing a similar crisis. I would like to advise Members of Parliament that whenever they want to elect leaders in co-operative societies they should elect people who are sincere, answerable and accountable. They should not elect comen. There are so many comen in those societies and some of those people are supported by some hon. Members.

**Mr. Mulusya:** Mr. Speaker, Sir, you have noticed that the hon. Minister has avoided answering my question on the Muka Mukuu Farmers Co-operative Society. He has not stated what has happened. Since a report was made in 1994 implicating a Mr. Philip Nzialo, who was the Chairman then, of misappropriating over Kshs5 million what action has been taken against him? He was supposed to be taken to court. Why has he not been taken to court to date and why is the same person camping in the offices of the Commissioner of Co-operatives and the Chairman of Co-operative Bank interfering with the present management committee and are thus unable to get loans to manage that co-operative society? Why is Mr. Nzialo camping in these offices?

**Mr. Munyi:** Mr. Speaker, Sir, he is giving me the information. If that information is correct, I will investigate the issue.

**Mr. Mulusya:** On a point of order, Mr. Speaker, Sir. Now that the Minister has accepted that he does not know what is happening, can he give this House a time frame within which he will carry out his investigations in regard to Muka Mukuu Farmers Co-operative Society and the camping of Mr. Philip Nzialo in his office and bring the report?

**Mr. Munyi:** Mr. Speaker, Sir, there is nothing like Mr. Nzialo camping in these offices. We are only interested in getting information. There is no camp there.

**Mr. Wetangula:** On a point of order, Mr. Speaker, Sir. Mr. Mulusya alleged that Mr. Nzialo was found guilty of misappropriating Kshs5 million. Then he says that this man was not taken to court. Who found him guilty? Is he in order to contradict himself?

**Mr. Mulusya:** Mr. Speaker, Sir, there is a report by the Commissioner of Co-operatives which was read to the members by the person appointed to do so by the Commissioner of Co-operatives. It was found that Mr. Nzialo had misappropriated over Kshs5 million. Today, Mr. Nzialo is not only free, but camping in those offices I have mentioned.

**Mr. Speaker:** Very well, for your own information he is, therefore, not guilty.

**Mr. Nthenge:** Is it not the duty then of the Minister to order that this person to be taken to court? Two years have passed since then and nothing has been done about the man. Has he bribed his way out or what has happened? It is true that you cannot be guilty until found guilty. We, in this House, are waiting for this man to be taken to court so that he can be proved guilty. Why are you refusing to take him to court and yet it was recommended that he be taken to court?

**Mr. Munyi:** Mr. Speaker, Sir, I have already said that the information given by hon. Mulusya will be taken seriously.

**Mr. Speaker:** Question 466 is deferred.

## SALE OF CONTINENTAL HOUSE

*(Question deferred)*

**Mr. Speaker:** I had forgotten that Mr. Robert Mungai was late in coming. Now that I have remembered he was late, would you like to ask your Question?

**Mr. R.K. Mungai:** Thank you, Mr. Speaker, Sir. I apologise for coming after the Question was called for the first time.

*Question No.265*

## PLANS TO TACKLE STREET CHILDREN PROBLEM

**Mr. R.K. Mungai** asked the Minister for Home Affairs and National Heritage, what the Government's short, medium and long-term plans in solving the escalating street children problem are.

**The Assistant Minister for Home Affairs and National Heritage** (Mr. Mutiso): Mr. Speaker, Sir, I beg to reply.

The Government has put in place a law to deal with this problem. Namely: The Children and Young Persons Act, Cap. 141 of the Laws of Kenya. There is a fully-fledged Government Department to carry out the functions of supervision, directing and co-ordinating all activities relating to children in need of care and protection.

Mr. Speaker, Sir, in 1990 the Government established the District Children Advisory Committee to formulate strategies for the care, protection and prevention of children in need of care and protection. There are 11 approved schools that offer educational and vocational training after the children sit for Government Trade Test Examinations, to enable them engage in gainful employment. So far, there are 2,236 children in these schools.

Mr. Speaker, Sir, the following programmes have been put in place to reduce school drop-outs as a cause of street children:-

(a) Education bursaries are made available to school children from poor families in order to reduce the level of school drop-outs and thus preventing the increase in number of children in need of care and protection.

(b) Sensitizing head teachers and school committees on the plight of children from poor families in paying school fees.

(c) Establishing ways of reducing the various levies that make education expensive.

Mr. Speaker, Sir, to this end, the Ministry of Education is working out modalities to purchase books centrally in order to lessen school drop-outs.

The registration of voluntary children homes sponsored by individuals, churches and non-governmental organizations in order to effectively co-ordinate the activities relating to children in need of care and protection.

Advocacy and creation of awareness of the problems of the child campaigns are, and will continue to be carried out through the following channels:-

Mass media, drama, cultural exhibitions, religious gatherings, parents and teachers associations, posters and pamphlets, seminars and workshops.

Mr. Speaker, Sir, capacity building seminars and workshops have been, and will continue to be held in order to strengthen administrative machinery to cope with ever changing socio-cultural problems. That is, to equip the officers relating with the problem with necessary tools of managing the problem.

A situation analysis report is currently being compiled following the 1993---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister not taking too long?

**Mr. Speaker:** Yes, indeed, he is. Can you be brief?

**The Assistant Minister for Home Affairs and National Heritage** (Mr. Mutiso): Yes, Mr. Speaker, Sir, I am just winding up.

A situation analysis report is currently being compiled following the 1993 Inter-Ministerial Committee, established to recommend the most appropriate ways of solving the problems of the child.

**Mr. R.K. Mungai:** Thank you, Mr. Speaker, Sir. I wish to thank the hon. Assistant Minister for such an elaborate and very comprehensive reply.

Mr. Speaker, Sir, nevertheless, going through the four pages of the answer, there is nothing tangible or practical that appears in the answer. The Assistant Minister talked about the creation of awareness through mass media, drama, cultural exhibitions---

**Mr. Speaker:** Order, Mr. R.K. Mungai! Actually, I think this Question ought not to have been allowed in the first place, because it asks questions of policy which are contrary to the Standing Orders. It is not a factual situation. So now that you have by the way got it somehow, can you then try to be factual?

**Mr. R.K. Mungai:** Mr. Speaker, Sir, I was saying that there is nothing that appears to be done through the mass media, drama and cultural exhibitions. It is a pity that the Inter-Ministerial Committee established in 1993 has yet to give its recommendations. I have a feeling that the recommendations will come after this generation is gone and so, it will not be useful. Could the Assistant Minister tell this House and the nation when those recommendations can be expected for implementation?

**Mr. Mutiso:** Mr. Speaker, Sir, I am sure the hon. Member and the House will agree with me that, there was a Motion on the Floor of this House which touched mostly on these matters of the children. As a result, the Ministry has compiled all these facts which were raised here and recommendations have been made to the Attorney-General to redraft the Bill, which is in the process. As soon as this one is out, it will be brought here for further discussion.

**Dr. Kituyi:** Mr. Speaker, Sir, this Government is part of the problem of street children. It is incapable of being part of the solution of that problem; a Government which has done everything to remove a social caution against the under-class, a Government which has presided over the withdrawal of publicly-funded health services in low-income target health facilities; a Government which has removed school equipment supply programme and replaced it with hon. Kamotho's propaganda weapon called Nyayo milk; Government which has denied---

**Mr. Speaker:** That is a debate, not a question!

**Dr. Kituyi:** Mr. Speaker, Sir, I am now coming to the question. If this Government was serious about dealing with the problem of street children, apart from nice platitudes that they give at international conferences of UNICEF, can the Assistant Minister tell us why this Government arrests street children every time there are major dignitaries coming into this country? Why this Government shoots children and then they are dumped in the streets? Why this Government sends home and denies a right to a basic education to children whose parents have been dropped out of an income bracket, because of the removal of minimum salaries in our major urban centres?

**Mr. Mutiso:** Surely, Mr. Speaker, Sir, the hon. Member cannot expect me to know all that he has said or to be aware of all that he has alleged is happening. But, what I am aware of is that, there is this social problem, there are many children on the streets and the arrests are subject to any of them committing a crime, and that is when they are arrested. Otherwise, nobody can be arrested without committing a particular crime.

**Dr. Kituyi:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to say that the Government is only arresting street children when they have committed a crime when it is a reality that in the run-up to major international conferences in Nairobi, trucks are sent around and street children are picked from their hide-outs for no crime to cheat the world that the City is clean? Could the Assistant Minister tell us what crime Eric Otieno committed before he was shot dead by the police outside Odeon Cinema?

**Mr. Mutiso:** Mr. Speaker, Sir, I am not aware of that and the information I have is that, the father of that particular was a working person who should have taken care of the child.

**Mr. Onyango:** Is the Assistant Minister aware that Kshs40 million which was given to the Kenya Government to assist the street children has been misused because on 12th June, 1997, the Minister said that, that money was given to Undugu Society and the Nairobi City Council? Then on the 13th June, 1997, there was a statement from Undugu Society saying that they did not get the money. Could he tell us the position now?

**Mr. Mutiso:** Mr. Speaker, Sir, I heard bits of the hon. Member's question. Could he repeat it again?

**Mr. Speaker:** A little louder, Mr. Onyango!

**Mr. Onyango:** Mr. Speaker, Sir, I was saying that Kshs40 million was given to the Kenya Government to assist the street children by the International Labour Organisation, and on 12th June, 1997, the Minister for Labour and Manpower Development said that the money was given to the Undugu Society, City Council and COTU. Then the following day, Undugu Society said that they did not get even a cent. Could the Assistant Minister now tell us the position?

**Mr. Mutiso:** Mr. Speaker, Sir, that is a question which another Minister answered and I am not aware of it. If the hon. Member wants me to respond to it, since it is a separate one, he can frame a Question and I will deal with it.

**Mr. Mulusya:** On a point of order, Mr. Speaker, Sir. That issue was raised here on the Floor of this House by hon. Masinde, the Minister for Labour and Manpower Development. He said that this money was given by the International Labour Organisation to assist in the rehabilitation of street children within the country, and on 12th, June, 1997, he mentioned the organisations which were given this money to use. The following day, on 13th, June, 1997, the Undugu Society which is a well managed children rehabilitation centre, denied ever being given a penny from that money. Could the Assistant Minister, now that he knows the facts and it came from the Government, state the position about the Kshs40 million?



**Mr. Speaker:** I am sorry, if it was something on the Floor of this House from another Ministry, the right thing to do is to maybe revisit that issue, if you can, under the Standing Orders to that Ministry.  
Next Order.

### POINT OF ORDER

ERRONEOUS IMPRESSION BY PAPER:  
EUROPEAN UNION FUNDS

**The Assistant Minister for Finance (Mr. Keah):** On a point of order, Mr. Speaker, Sir. I rise to correct an erroneous impression given by *East African Standard* issue of today with regard to my elaboration on the funds from the European Union. The reporting here in a bold heading gives the impression that the Government is holding money in foreign banks. What I said yesterday, and I would like to repeat, is that with regard to the Stabex funds which are funds from the European Union, their availability there is not the same as funds available here in Kenya. The funds in both the Kenyan and foreign banks are held by the European Union for the Kenya Government so that when there is an agreement between the European Union and the Kenya Government, the funds are released. It is therefore, wrong to give the impression that we, the Kenya Government, are holding funds out there and here, which we are not utilising. I have a little write-up for the benefit of everyone to read, and I would like to lay it here on the Table.

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

**Mr. Speaker:** Very well, next Order.

### BILL

*Second Reading*

THE FINANCE BILL

*(The Assistant Minister for  
Finance (Mr. Keah) on 1.7.97)*

*(Resumption of Debate interrupted on 8.7.97)*

**Mr. Speaker:** Hon. Shariff Nassir, you were on the Floor yesterday.

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Spika, nakushukuru kwa kunikumbuka, miongoni mwa watu wa aina mbali mbali; wazee, vijana wenye elimu, maprofesa na mawakili.

Nilichonacho ni kile nilichozungumza jana, lakini leo ni kupitia. Kitu kikubwa ni Bajeti yetu. Mambo ya kutoa ushuru ni muhimu sana. Kila Mkenya anatozwa ushuru kwa kile anachonunua. Wale wanaotozwa ushuru ni watu ambao ni matajiri wetu, wapiga kura ambao wanatuleta hapa Bungeni na wakati mwingine wanatuondosha. Ilikuwa ni wajibu wa kila mmoja wetu kuhakikisha kwamba mapato hayo yametolewa kwa watu wa Mombasa, Pwani, Kilifi, Nyanza au Kakamega.

Lakini hamu ya watu ni siasa. Wameondoka wengine na kuingilia mambo ambayo si ya manufaa kwa mwananchi wa kawaida ambaye ana taabu. Tumetumwa hapa kuja kushughulikia taabu hizi. Mapenzi ya siasa ni makubwa zaidi kushinda taabu za watu na wengine wakasema ni lazima tulete mabadiliko ya kikatiba. Kwa mtu maskini, mabadiliko yake makubwa ni kutoka kwa umaskini kwenda utajirini. Mtoto wake hana karo ya shule an anataka apatiwe. Lakini watu wakatoka wakaona kuwa jambo hilo la mabadiliko ni wimbo mkubwa.

Bw. Spika, mambo ya siasa ni yetu sisi wenyewe, lakini wale waliotuchagua, wanataka huduma zetu. Siasa katika Kenya hii, wakati wake umekwisha. Siasa zilifanywa, na watu wakapiginia Uhuru, na kilichoko ni watu kufanya kampeini za uchaguzi, kupata bendera au kuwa Mbunge. Lakini tuliletwa hapa kwanza kuwapatia huduma wananchi waliotuleta hapa. Tumefikia kikomo ambacho ni kibaya katika Kenya wakati huu na ambacho Wabunge wa KANU wa Upinzani ni lazima wakifahamu.

Juzi niliona katika televisheni, na magazeti mtu akichoma bendera ya Kenya na watu wanafurahia. Kupeleka watoto kuchoma bendera si kitu kizuri kwa sababu, bendera ya Kenya si bendera ya Rais Moi; ni bendera yako wewe mwenyewe. Unapochoma bendera ya Kenya, wajichoma wewe wenyewe bila kujua. Kuna tabia ya kutoheshimiana ambayo siku hizi ndiyo mchezo wa kisiasa katika Kenya. Na hiyo hali ya kutoheshimiana ndiyo inaleta taabu kubwa sana. Watu wanaweza kupinga, wanaweza kusema kile wanachoona ni sawa, lakini heshima--- Mwenye kiti wa

FORD(K), Bw. Wamalwa, ninamuheshimu kwa sababu ni Mwenyekiti. Lakini siku hizi utaona ushindi mkubwa ni kumtukana Rais au kumtolea adabu. Hayo yote ni mambo machafu ambayo yanaweza kuharibu Kenya nzima. Mimi ninampenda Rais Moi na wewe humpendi, lakini ukimtukana, basi, tutagombana. Leo tunaweza kustahimili na kuambiana kwa mdomo; tusijaribu kutukana Rais, ni wa nchi, si wa chama. Ninaona mambo kama hayo yamekuwa mchezo. Lakini, ninataka kuwafahamisha ndugu zangu kwamba ni bora tukiweza kuheshimiana---

**Mr. Obwocha:** Talk about the Bill now!

**Mr. Speaker:** Bw. Nassir, hicho ni kifungu gani katika Mswada huu?

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika ni kifungu cha pesa za Rais.

*(Laughter)*

Zile pesa zinazokusanywa, pesa za Rais pia ziko hapo. Kwa hivyo, hata kama mtu ni Wakili au Professor, ujuzi nilionao kwa miaka 40 haufai kitu. Nyinyi ni watoto kwangu.

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. Did you hear the hon. Nassir say or refer to hon. Members of Parliament as "...ni watoto kwake"?

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika, kwa maneno yao, vitendo vyao na pia kwa umri wao, wanaonyesha kwamba ni watoto kwangu.

**Dr. Kituyi:** Mr. Speaker, Sir, could hon. Nassir tell us under what Standing Order, being younger than the person who boasts about an age when he is becoming senile, disqualifies you from being a leader in this House?

**Mr. Speaker:** Order! Order, all of you now! I do not think I am giving all of you licences to be very insulting to each other. Bw. Nassir, sasa kitabu ni hicho, zungumzia mambo ya kitabu hicho.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika, mimi ninazungumza juu ya Finance Bill; pesa ambazo zinachukuliwa, zinatumiwa na zitatumiwa wapi. Na ikiwa hatuna amani katika nchi, hizo pesa zitatumika namna gani? Ni lazima nizungumzie ile amani kwanza; kuleta amani na mapenzi. Nimesema kwamba sisi wenyewe tukiitazama Kenya---

**Mr. Speaker:** Order! Order! Can I give guidance? The Finance Bill is about taxation. It is about increasing or decreasing taxes. Ya kwamba tuongeze kodi fulani ama tuiondoe. Hayo ndiyo tunayozungumzia leo.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika, nifahamavyo mimi, ninazungumzia mambo ambayo yanahusika, ni kwamba hizi pesa tutazitoza kwa njia gani. Na tukizitoza tutazitumia kwa njia gani, na tukizitumia, tutakuwa kwa hali gani? Leo, kama utaniambia nizungumze, hawa wote watanyamaza kwa maana hawatakuwa na maneno ya kusema. Lakini tunaambiwa tuzungumze juu ya kuweza kuchukua pesa na pia kuleta umoja katika Kenya, ili tupate kutumia hizi pesa kwa uzuri. Ndiposa nikasema umoja wa Wanakenya ni kitu kikubwa; tuache kwenda kutafuta makabila yetu na kuwaambia kwamba "mkinifanya Rais mtakuwa na raha sana." Mimi kabila langu ni ndogo, hata halifai kwako wewe, na kwa mtu anayependa ukabila haifai kabisa. Mtu aliyezaliwa mkabila ataendelea mpaka kaburini kwake akiwa ni mkabila tu.

**Mr. Speaker:** Bw. Nassir, tafadhali sasa ninakuomba uzungumze juu ya ushuru.

**Dr. Kituyi:** Kama hawezi, aketi chini!

**Mr. Speaker:** Order!

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika, nipatie nafasi nizungumze.

**Mr. Speaker:** Order, Mr. Nassir. I have, indeed. Nimekupatia nafasi na nimeendelea kukupatia nafasi tangu jana. Lakini mimi nimefungwa mikonono na sheria. Sheria inasema kwamba; wakati unazungumzia mjadala fulani, lazima uzungumzie mjadala huo, sio nyingine. Sheria inasema hivi: You must be relevant to the subject at hand. The subject at hand today is the Finance Bill and it tells us the amount of new duties to be levied in the coming financial year. What we want to hear from you is the various items that are set out there; whether the duty proposed is appropriate or inappropriate.

**The Assistant Minister for Information and Broadcasting** (Mr. Nassir): Bw. Spika, kutoza ushuru ni sawa sawa, na ni lazima utozwe. Lakini lazima tuseme kwamba ni lazima jambo hili liendeshwe kwa njia sawa sawa.

Mara nyingi hapa nimezungumza kwamba vitu vya kuvua samaki vyatozwa ushuru huko Pwani, na ni vibaya. Ikiwa watu wanaokuza kahawa wanaachiwa matingatinga, mashine nyingine na madawa, na sisi kwetu Pwani shamba letu---

**Mr. Speaker:** Mr. Mulusya, what is your point of order?

**Mr. Mulusya:** Mr. Speaker, Sir, is it in order for hon. Nassir to repeat himself? What he is now saying is also what he said over and over yesterday and it is in the HANSARD. Is he in order? Why can he not say something new? If he does not have anything new, he should sit down.

**Mr. Speaker:** I thought he was talking about a totally new thing.

**Mr. Muluya:** No, Mr. Speaker, Sir, it is in the HANSARD.

**Mr. Speaker:** Order! Order, Mr. Muluya! I did not hear him yesterday. I do not recall anytime you were ever elected to sit as Speaker here. So, you will obey the ruling of Mr. Speaker, until such a time as you become Speaker. Proceed, Mr. Nassir.

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Spika, hata kama nilizungumza jana ninaweza kuzungumza leo kwa sababu magazeti hayatoi ninayozungumza, hata nikirudia hayaandikwi. Kesho kutwa nikifika Mombasa nitaulizwa: "Yale wenzako wanazungumza katika Bunge, yanaonekana katika magazeti, na wewe huenda wapi? Mbona usemayo hatuyasomi katika magazeti?" Hata hivyo, hawa wanangu waweze kuandika kwamba Nassir alitetea watu wa samaki.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Speaker, Sir. You heard the Assistant Minister for Information and Broadcasting complaining that what he says here is never reported in the radio. Is he in order to complain when he is the boss?

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Mimi sikuzaliwa kuwa boss, mimi nimezaliwa kuwa mtumishi wa watu. Wewe ulizaliwa namna hiyo, na Mungu akubariki.

*(Laughter)*

Hata hawa ninawaomba, ijapokuwa hawawezi kuandika yote, waseme kwamba siku moja Nassir alitetea watu wa samaki. Uvuvi ndio maisha yetu, hata mimi, Prof. Mzee, na Wabunge wote wa Pwani ni lazima wasaidie watu wa Pwani.

Bw. Spika, ningependa watuonee imani juu ya hayo mapato yanayotozwa, ili pesa zikigawanywa ziende kwa kila wilaya. Nikisema, utaniambia nirejee kwa Mswada. Wanaotoa ni hawa, wakapeleka kwingine. Ninasema zikitozwa hizi pesa, ni halali, watoto wetu kutoka Treasury na Waziri Msaidizi wa Fedha waone kwamba pesa pia zimeenda kule Pwani. Mini ninatumwa hapa na wale walionipigia kura ili kuwatetea. Wabunge wa Upinzani wamezoea kuchochea mambo, na watafanya hivyo hadi mwisho wa dunia.

Bw. Spika, ningependa kusema kwamba tukizipitisha pesa hizi, inafaa zitumiwe kwa hekima. Kadiri Wabunge wa Upinzani watakavyozidi kumchukia Rais Moi, ndivyo Mungu atakavyompa umri zaidi ili aendelee kutawala. Nimesema kwamba ningependa kuona tukisaidiwa kwa pesa tunazoidhinisha hapa.

Jumatatu iliyopita, waandishi wa habari katika ulimwengu mzima walikuja hapa ili kuonyesha kwamba Kenya ilikuwa na fujo. Lakini wakati tunapojenga shule na kuendesha mikutano ya Harambee, waandishi wa habari hawaji kuchukua habari hizo ili kuonyesha kwamba Kenya inaendelea mbele. Kuna watu waitwao wapinzani - mimi sijui kama wako - ambao wanapewa pesa chache ili wafanye fujo humu nchini. Hii ni kazi ya bure. Fujo ikiingia humu nchini wanaotoa pesa hizo watarudi kwao na kutuacha hapa na taabu yetu. Inafaa tuelewe kwamba tunahitaji pesa za kudumisha amani. Pia inafaa ushuru unaotozwa uwasaidie wananchi. Hapa Kenya tuna kabila moja liitwalo Bajuni, ambalo halipatikani katika nchi nyingine ya ulimwengu. Wabajuni wanaishi kule Lamu, lakini wanavua samaki katika Somalia, Tanzania na kwingineko. Wakati wa vita vya wenyewe kwa wenyewe huko Somalia Wabajuni wavuvi walishikwa na kuwekwa kama wafungwa wa kivita. Hata Wamaasai huenda na kuwalisha ng'ombe wao huko Tanzania na baadaye watarudi humo nchini. Wabajuni hawasemi sana, ni watulivu na huitii Serikali. Lakini wengine wao sasa ni mahabusu kule Somalia. Wamezuiliwa katika sehemu yenye jua kali. Ikiwa uwanja wa kuwaweka unahitajika, mimi nina kiwanja changu kule Lamu, na niko tayari kukitua bure ili wawekwe huko.

**Mr. Speaker:** Mr. Nassir, which clause of the Bill is on the Bajuni?

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Bw. Spika, naongea juu ya Idara ya Uhamiaji. Tanapoidhinisha pesa hatuongeti juu ya Idara hii?

**Mr. Speaker:** Mr. Nassir, this is the Finance Bill, and not the Appropriations Bill.

**The Assistant Minister for Information and Broadcasting (Bw. Nassir):** Bw. Spika, ushuru ukitolewa unatumiwa na idara za Serikali.

**Mr. Speaker:** We will come to that next week.

**An hon. Member:** Kama huelewi, kaa chini!

**The Assistant Minister for Information and Broadcasting (Mr. Nassir):** Kama ningekuwa nikielewa, ningekuwa mfuasi wa Bw. Matiba kama wewe.

Bw. Spika, nilikuwa nikiwatetea Wabajuni ili wakuu wa wakimbizi na Wazara ya Mashauri ya Humu Nchini na Turadhi za Kitaifa wawahurumie na kuwarudisha katika nchi yao ili waishi na Wakenya wenzao.

Kwa hayo machache naunga mkono.

**Mr. Obwocha:** Thank you, Mr. Speaker, Sir. I will be very brief because I can see that other hon. Members are enthusiastic to speak. I will start with tariffs on drugs, which are in Chapter 29. I am on page 551 of the Bill, and I would like to request the Minister for Finance to reduce the tariffs on various drugs. At present, in places like Kisii and Nyamira Districts there is an acute shortage of drugs. Currently, there is a malaria outbreak in these districts. Last Monday, I visited Nyamira District Hospital and found that every bed is shared by three patients, and yet there are no drugs. I notice that pages 551 to 554 contain tariffs on drugs. Originally the Government had pledged to provide free medical services, but now it is saying that wananchi should cost-share. Therefore, duty on various drugs should be reduced. This reduction is particularly necessary in the case of tariffs on drugs for treating diseases like malaria, which is very common in the country.

Secondly, I would like to say something on insurance. This issue is on page 56 of the Bill. Insurance companies in this country have undergone various problems, but I would like to touch only on two cases. The case of the Kenya National Assurance Company is well known. This company's employees are still suffering. The liquidator is not moving fast enough. Those who had mortgages are in big problems because their property is being sold. We would like to have an assurance from the Minister that he will expedite issues that relate to the Kenya National Assurance Company, and that the property owned by this company will not be sold at throw away prices.

The other case is that of Access Insurance Company, which went into liquidation. A number of people were insured through this brokerage company. Since the company went into liquidation, it has been unable to pay claims that were outstanding for various accidents and incidents.

Mr. Speaker, Sir, right now, one or two people who have approached us and told us that they have sold everything that they owned in this world. We would also like to hear from the Minister what he has to say about this insurance company. Going through these rates, I wish to comment on the rates that are levied on various goods by the Customs Department.

Now, I had an opportunity this morning to go to the Customs Department to clear a simple equipment for a church in my constituency. Now, this equipment was sent by the missionaries from America free-of-charge. I was told to pay duty for this item. Indeed, I paid but the experience that I had to undergo was hell. I went through 28 checks from the Kenya Handling Stores through all the systems and then up to Forodha House where operations are still being done manually. There are no computers. It was from one man to a woman and back to a man and yet we are talking about a Member of Parliament introducing himself: "This is hon. Obwocha". Imagine 28 persons dealing with the clearance of these goods. Now, going back, that was not even the end. Before, I was shown where the store is to Kenya Airways again, I had to pay for storage charges. From Kenya Airways, I had to go to another customs department under the same Kenya Cargo Handling Company Limited.

Now, we have requested the Minister for Finance to make sure that he streamlines the operations of the Customs Departments. If a Member of Parliament like Obwocha can take a whole day to clear a simple item that is a microphone and a loudspeaker for a church, there must be, indeed, something wrong. We hope the Minister for Finance is listening.

Mr. Speaker, Sir, I would also like to say something on the duties of vehicles which has been listed as five per cent. Now, as you know, there is an influx of cars from Dubai and Japan, but somewhere on the line, these vehicles are disappearing. Now, I think, this should be the job of the Minister in the Office of the President in-charge of internal security, specifically the police, to tell us why the vehicle thefts have not been curbed up to now. There is an outcry from the population about the second-hand vehicles that are being imported into the country.

Mr. Speaker, Sir, now, another very disturbing thing is the question of parking in Nairobi. First of all, the City Council has not made parking space available to the motorists in this City. But if you leave your car in a convenient place where you are not obstructing anybody, the amount of charges that you would incur after they have towed this vehicle from that place to Dagoretti is enormous. In the first place, they do not even leave any message that they have towed this vehicle. The first thing you do is that you report to the police about the theft of the vehicle and yet the vehicle is lying in their depot on the other side. Further, it is their mistake for not making parking available.

**Mr. Nthenge:** They should be taken to court!

**Mr. Obwocha:** As hon. Nthenge says, I think the most honourable thing to do is that if they think that you have parked your vehicle wrongly, to give you a ticket and you appear before a court of law so that you can be charged.

Mr. Speaker, Sir, I would also like to say something about the local authorities. The Minister has a levy here on petroleum products and he has said that he is going to make an attempt to try and allocate part of this money to the local authorities. But before he does this, the first thing he should do is to make sure that he updates the records and the audits of the local authorities. There is an Institute of Certified Public Accountants of Kenya in this country with very many auditors who are willing to pick up the job of updating the audit of local authorities. Before you sink this money into the local authorities, you need to update this record. Some of the audits of these local authorities go as far back as

1980. That is 17 years ago. They have not produced their accounts and yet the Minister for Finance is trying to allocate some of this money to the local authorities. The only thing that I would support on local authorities so that they can operate properly is to take away from them the burden of paying councillors. If we have a population of 300,000 civil servants, what is the significance of 6,000 councillors in the whole country? What kind of burden is that? Taking 6,000 councillors and adding them to the number of civil servants, the net effect would be negligible. We should do that so that they can be enumerated properly and remove the burden from the local authorities so that they can try and serve the wananchi. As long as that issue of financial management is not squarely faced, then the objective will not be realised.

Mr. Speaker, Sir, now, the other issue that I wanted to touch on is the interest rates. The domestic interest rates currently range between 30 to 35 per cent. But if you have any money, the banks are paying interest rates at 11 to 13 or 14 per cent. Now, if the Government is, indeed, restricting its borrowing, how does it intend to bring down these interest rates? Can the Minister tell this country how he intends to bring down the domestic interest rates? Mr. Speaker, Sir, in proposing these rates, the Minister has not told this House how much money he was able to raise in the previous year, is 1996/97. More often than not, we are told that the Government is budgeting for Kshs150 billion, but the Minister never comes to this House to tell us how much money he is able or he has been able to raise and what ways and methods he is putting into place to make sure he collects the revenue. If, indeed, we are going to believe these rates, the Minister should come out with a blueprint to tell us how he intends to raise this money.

Although we have imposed levy on petroleum, all our roads are in very bad shape. The road infrastructure in this country has gone to the dogs. There is nothing to talk about it. There is a road we have been making a lot of noise about, that is a road from Kericho to Kisii. When the Minister went to Kisii, it promised to allocate Kshs580 million to construct that road, Chemosit-Kisii road, C21. Now, in the current estimates, the Minister for Finance has only provided Kshs90 million. First of all, you are failing the Government because the Government has already announced that it is willing to provide Kshs580 million. You are now only providing Kshs90 million, then the worst thing they have done is that they have now withdrawn the contractor. We all know the systems of Government. If you go through the tendering procedures, it is going to take another one year. Are we not taking the people of Kisii for a ride?

Mr. Speaker, Sir, I would like to mention only one thing in conclusion. We expect that the Minister for Finance, since we are going for elections, to keep his promise on financial control, proper financial management, and that he does not print money because even in his own promise last year that he would bring down inflation to a single digit has not been achieved. He has not achieved this. If he has, he has yet to tell this House what is the current rate of inflation.

If we are talking about good economic management of this country, it must go along with proper and good governance because what we see is a very sad situation. The Government has "closed" its eyes; the Government has "plucked" its ears and they are not listening. There is going to come a time when they will ask where that opportunity is and opportunity will not be there for them to correct what they have done. When you look at the papers, and see what has happened from the weekend, on Monday and yesterday, people have been instilled with fear just because the Government does not want to listen.

I hope, Mr. Speaker, Sir, we do not go Zaire, Rwanda or Somali way. This is the chance to listen and to talk. We are all citizens of this country. We have the welfare of this country at heart and we need to talk and agree.

Mr. Speaker, Sir, with those remarks, I wish to support.

**Mr. Otieno:** Mr. Speaker, Sir, the summary of taxation measures proposed in this Finance Bill indicate that the Minister is willingly giving away some K£59.46 million in import duties. That translates to about Kshs1.2 billion in import duty. The way he has done it is that he has reduced a number of duties that were formerly levied at 35 per cent to 25 per cent. I feel the Minister is being "too charitable" to manufacturers abroad at the expense of Kenyan manufacturers. I feel that the Minister is converting our economy into a trade economy; that the sector which will be expanding in this country, instead of being the manufacturing sector, is commerce.

Now, this Budget has been presented when the country is faced with so serious poverty that we are ashamed to say that 55 per cent of Kenyans are "living below poverty line." We are talking about more than 12 million people living below poverty line. We are talking about school-leavers in the streets who are unemployed and priority in this budgetary proposals should have been the shortcut to generate employment in the economy. We do not see any short-cut measures. If the measures being taken in the import duty area would lead to the closure of some of our manufacturing outfits; whether they are small industries or large industries, then the Minister is taking such a bad risk, giving away Kshs1.2 billion in import duty, from a level of 35 per cent to 25 per cent. I feel that he should have done better by strictly analysing these duties to establish which are going to affect the local manufacturers instead of leaving it at 35 per cent.

Already at 35 per cent import duty rates we are already within the dumping level. It is very possible on a

marginal costing basis for somebody to agree to export his products into Kenya at a discount of 35 per cent and ruin all our industries. So, I feel that there is a blunder here, with the background of the poverty in the country, and the background of unemployment in the country, it is terrible to take the risk of favouring foreign manufacturers at the expense of local manufacturers. I feel that the Minister should have been able to hold the import duty at 35 per cent for another three years so that our manufacturers are able to adjust and compete. Why do I say so? What is the use of embracing all these wild "trade philosophy" when Kenyans have nothing to trade with in the world market? So, we are saying that we are lowering duties so that Kenyans can become importers. By Kenyans becoming importers, it automatically means that we are telling some small manufacturers who already have the capital that, "please, close your manufacturing outfit and use all your capital in importing the very products which you were manufacturing when you know the domestic market so well." We are ruining ourselves. We are telling a tyre manufacturer: "Please, reduce your production to 60 per cent, use the capital which you have to import the tyres from abroad and sell it through your retail network which you already know in the country."

Why is the Minister converting our economy into a domestic trading economy when we have nothing ourselves to trade with the rest of the world? It is a blunder, Mr. Minister. What is the hurry to give away Kshs1.2 billion? About Kshs1.2 billion is enough to build 120 secondary schools at the rate of Kshs10 million per secondary school. This is money which we have not been able to raise through Harambees to construct 100 new secondary schools. But the Harambee effort has done the job. It has produced the O level graduates whom you cannot employ, and now you are under-cutting them. Why should you be generous to the foreign manufacturers, Mr. Minister? I do not see the point. You could have waited for another three years, until we can tell which of Kenyan goods are finding their way into the foreign markets. Then you will say: "Brother, you are fit enough to compete in the foreign market, and I will lower some of these import duties". We do not mind lowering import duties on inputs, but lowering import duties on finished products is ruining us. There are clear sectors in our economy, particularly in the manufacturing area, that are going to suffer from this. These include the paper and textile industries, beverages and even some of the assemblies that are still categorised as small industries. The people who have assembly agreements with foreigners would rather bring the completely built-up unit instead of assembling them here. Some of our more advanced jua kali manufacturers, who are even building spare parts for vehicles may not be able to cope because it may be easier to import the completely built-up vehicle into our market. Why should you be so generous to foreigners, Mr. Minister, when we have already produced and educated Kenyans, whom you cannot employ?

Mr. Speaker, Sir, the Minister knows, and this is standard economics, that in an agricultural economy like Kenya, the only entry into the manufacturing world will be through agricultural industries. The only entry for Kenyan products into the rest of the world market will be through agro-industries. Yet, those very agro-industries are being undermined in this Budget. Why do you lower the duties that would otherwise protect the agro-industries, and then you say that there will be a ten to 70 per cent suspended duty, which the Minister can bring into effect at any notice? The question is: How do you trigger it? You are exposing yourselves to pressure from importers of wheat, rice, sugar and maize. They will stock their products and then say; "now, Mr. Minister, you can now apply the suspended duty, and then I can sell my product with a profit margin". You are exposing yourself to corrupt pressures. How is the 70 per cent suspended duty going to apply? How is the ten per cent suspended duty on paper and paper balls going to apply? Will you resist the pressure of the politically-powerful people who lack the political will to develop Kenya? Will you resist their pressure to bring that duty so that they can make the best out of Kenyan consumers?

So, I say again, Sir, that you know, and I am so sure that you do, that the only way Kenya will participate in the new world of open trade, is if it is able to bring in certain manufacturing industries that will make products from within our borders, and that will employ our own people and use our own resources to produce as sufficiently as possible, so that we can compete with the rest of the world.

In the summary of the statement which the Minister made to the House, he has some assumptions here which he should look at again. The assumptions are saying: The motive is to reduce the cost of industrial inputs. Most industrial intermediate inputs in the 25 per cent category tariff will be reduced to 15 per cent and a few raw materials in the 15 per cent rate range will be 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 or ten per cent. It is as if this Minister is elected by foreign manufacturers. He is stating that he will give them some token protection of five to ten per cent, and they should go and swim in the world market, as if the world market is employing Kenyans. You know that it does not.

You proceed to say that you hope that these measures will lead to efficiency, improve custom compliance and lead to expanded trade. Expanded trade in which direction? We want expanded trade from Kenya to the rest of the world. But if you are taking measures that will lead to expanded trade from the rest of the world to Kenya, the shilling is going to depreciate. Even our students abroad will not be able to pay the fees. You are also making the assumption that this will lower cost of doing business under higher induced efficiency. You know how rigid it is to

induce efficiency. So, it is an assumption which you should wait to take effect while you are protecting what is your own, within the international law, that we have subscribed to.

We are assuming that it will encourage investors to identify Kenya as a place which can supply wider regional and the world market. There is no relative advantage that is likely to come to Kenya and other economies. What will be there is that the Kenyans, since they are employed and they are trained to be able to do particular jobs, and until they acquire such skills that can compete with international standards, you are only assuming that Kenya will benefit from those efficiencies when you know very well that if there is a running car, there is a period which comes by practice.

Mr. Speaker, Sir, we have talked so many times about venture capital in this country. As of now, the major sugar factories are Government-owned. The Minister knows that promotion of agro-industries will be the immediate source of employment for our people. I do not see any money provided out of all these large funds to promote our industries, unless you are going to privatise them immediately. Yet, it appears that the political will to do so is not there. You have been dragging your feet for two to three years with the privatisation of the sector. This is because you know that privatisation may lead to more exploitation of Kenyans. Yet, in the waiting period, you are not doing something to make those factories more efficient.

*[Mr. Speaker left the Chair]*

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

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is talking very intensively, and making very good contributions, but could he address the Chair instead of talking directly to the Minister and saying: "you are doing this and that?" As a matter of custom, could he address the Chair, please?

**Mr. Otieno:** Mr. Temporary Deputy Speaker, Sir, I have a feeling that Dr. Lwali-Oyondi was falling asleep. This is because some of the technical language may have been fancy, and he felt that he should wake himself up by saying something. Thank you very much.

The next contentious issue in our economy is with regard to the interest rates. We did ask the Minister before this; "how do you justify a margin of 13 to 16 per cent for banks, and more so, if those banks are foreign owned and those profits are going to be expatriated?" For two years, you have been sitting there, watching this 13 to 16 per cent profit margin for the banks being shipped out of the country. Either you leave those high profits margins and make a rule that 50 per cent or, at least, 49 per cent of the shares of those banks will be locally owned. In that way, you will guarantee that the income will continue to circulate in the domestic market. Alternatively, you should make special taxation profits."

So, what are you doing to bring down the interest rates? You are borrowing too much from the banking system. You have a large stock of Kshs100 billion outstanding in Treasury Bills and you are still increasing them in this Budget. Out of a deficit of K£322 million, you are going to increase the stock of Treasury Bills by another Kshs6 billion and yet you are giving away Kshs 1 billion in import duty. When you are so desperate that your own borrowing cannot give you room to effect the lowering of interest rates in the market, why should you be so charitable to foreigners as we are doing now? I would suggest that Treasury thinks of measures through which the large companies that are currently prime borrowers by way of overdraft to the bank should be floated on the Stock Exchange. You should be thinking in terms of where the turnover exceeds so many million pounds, 20 or 30 per cent of the stocks of those companies should be brought on the Stock Exchange. Provide the incentive for doing so even if it means fixing co-operate tax rates for companies that are quoted in the Stock Exchange.

I am glad you have allowed the insurance companies to participate freely in the Stock Exchange by not taxing their capital gain. Even though you intend to increase the premium tax, it is the Kenyan consumer who is going to carry the burden, but the measure is commendable now. What are you doing to bring more companies into the Stock Exchange? You have just said that you want to increase investment capital in the total economy. You know that 20 per cent investment is not enough. We need a growth rate that is 6 or 10 per cent in the economy and to achieve that, we need much higher investment level. I cannot see specific measures in the Finance Bill that would be an incentive for deliberately increasing investment capital and the stock of investment capital in the economy. You are leaving it alone that somehow it will happen given the broader macro-economic policies that you have put in place.

I wish you were able to combine the broader measures with the few specific measures whose outcome would be a little more predictable so that we can see the investable funds increasing in the economy. One way of doing it is through converting all those large overdraft figures in the banks borrowed by large private companies into permanent capital by getting incentives to make those companies to be floated on the Stock Exchange. In this way, the ordinary

Kenyan can then invest in that manner. In that way, you will be doing two things. Kenyans would participate in the Stock Exchange and at the same time we will have established the mechanism by which foreign capital will be flowing into the Nairobi Stock Exchange. At present, there is more foreign capital seeking investment opportunity in the Nairobi Stock Exchange yet the stocks are not adequate. I would not suggest that you raise the ratio from 40 per cent to 50 per cent of our companies because there is also a risk that all Kenyan companies may be owned by all the foreign firms that now exist, but the secret is to increase the number of companies in the Stock Exchange and provide more opportunities for capital inflows. While the Kenya shilling is stabilised by capital inflows, you are doing something to raise our manufacturing capacity starting with agro-industries in a more deliberate manner than you are proposing in the Budget as of now.

With those few remarks, I beg to support.

**Prof. Mzee:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. I was hoping that hon. Dalmas Otieno would not come to the end of his contribution. It is interesting to here an economist looking at the Kenyan Budget and advising the Ministry of Finance. I think it would have been better for Mr. Otieno to be the Minister for Finance than a Back-bencher in the KANU Government. Thank you for informing us.

Kenyans are the highest taxed people in the world. I am not the first person to say this. So many other people have said it before. Hon. Otieno says we have the highest percentage of people living below poverty line. I cannot understand how this Government expects a person who earns Kshs2,100 to pay tax. I can tell you that over 50 per cent of the people in this country who are lucky to be employed are definitely living below poverty line. There are also those who are tarmacking in the streets. We are the highest taxed people with absolutely very little service and development to show.

We are an agricultural country, yet we cannot feed ourselves. Year in year out the Government has no policy to protect our farmers in this country. There is no policy to advise farmers or give them incentives to produce crops which are required by people in this country. To give you an example, I am looking forward to 1997 as a good year. We are going to have a bumper harvest, but there is nothing to guarantee a good price for that good harvest. I can tell you that if we have surplus maize this year and the farmers cannot sell it, come 1998, we are going to experience a poor harvest and we are going to start importing maize.

If you look at the tariffs, you will find that there is nothing there to protect the locally produced food stuffs which are commonly consumed by common men in this country. I have in mind sugar, maize and rice. We are still making tariffs attractive for people to import food than produce it within this country so that we can continue to enrich the so-called sugar daddies of Kenya, the Sajjads and the like.

I would like to refer to the Finance Bill. I would like to look at Clause 71 on page 545. In this Finance Bill, the Minister is proposing an amendment on the Kenya Revenue Act and proposes to reward for information leading to identification or recovery of unassessed taxes or duties. This reward will be given to anybody in Kenya who can help to identify these people. And it leads to recovery of taxes. In other words, what they are trying to do is not good because KANU wants one Kenyan to spy on another Kenyan.

Mr. Temporary Deputy Speaker, Sir, if you can recall a year back when Frenchmen were asked to report on their neighbours who had hosted people who did not look like "whites" or French people. Instead of reporting back to the Government, they were in the streets and refused to be informers of the Government against their neighbours. This is exactly what we are doing here. There will not be any privacy. I am afraid there will be an equivalent of American bounty hunters in this country. Offices of investigations will be established because the incentive which is given is a large incentive. They give one per cent or a maximum of Kshs100,000 for identification alone and three per cent or Kshs1 million for recovery. Most Kenyans have not seen anything like this. During these times when there is unemployment, we are setting people to go and spy on others and invent things which do not exist. What the Government should have done is to give this incentive to the revenue collectors; the employees of the Kenya Revenue Authority only. An incentive should be given to enable people to intensify their work and identify those people who dodge taxes or do not pay duty. They pay duty to the customs officers, income tax officers and VAT officers who are employed by the Kenya Revenue Authority, but not people outside the Authority. By making every Kenyan a spy on another on imaginations or witch-hunting, you will find that you will be wasting a lot of people's time on the assumption that they could make an easy million shillings by following, for example, hon. Sajjad. We know that hon. Sajjad dodges paying duty and income tax, but it is very difficult to arrest him. But, if the Government is sincere---

**The Assistant Minister for Finance (Mr. Keah):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Prof. Mzee in order to impute improper motives on an Assistant Minister and a Member of this House, and, in fact, to debate him without bringing a substantive Motion into this House?

**The Temporary Deputy Speaker (Mr. Salat):** Certainly, he is not! Prof. Mzee stick to the Bill.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, all I am saying is that, we should not encourage ordinary wananchi to spy on other people. The people high up here are the ones dodging taxes, and they should investigate one



another. You can actually see that Kshs1 million is a lot of money for any Kenyan. People are investing in lotteries every day so as to get Kshs1 million. If the Kenya Revenue Authority Act is amended to make Kenyans spy on one another, then the privacy of an individual which should be protected by the Constitution is going to be violated by this amendment itself. The original idea which I still support is to give such incentives to the Kenya Revenue Authority employees and not to everybody.

Mr. Temporary Deputy Speaker, Sir, if you look at page 543, Clause 69 on the Road Maintenance Levy Fund Act, I strongly object to the amendment which is being proposed which is the centralization of the local authority account. In so far as the Road Maintenance Levy Fund is concerned, we should be moving away from centralization and give more power to the Local Governments to decide what they want to do. This amendment is giving the Central Government power to open an account on the Road Maintenance Levy for the local authorities and then control it. What I wish to see is money which is collected in certain areas or local authorities being banked in that area. If money is collected, for example, in Mombasa, then that money should be banked in that local authority of collection. It should not leave the area of collection and come to Nairobi, where a few people with the assistance of the Minister in Nairobi will decide on what they want to do in the local authority. What is the purpose of creating local authorities if we do not give them finance and power to decide what they want to do and then we give this power to the Central Government, to the Minister to decide for them? Since the money is collected in a certain local authority, the money should be retained in that local authority and the local authority should decide which unclassified roads should be repaired and how much they spend on this RMLF to repair those roads in the local authorities since the money has been collected from those local authorities.

Mr. Temporary Deputy Speaker, Sir, I support the idea that gradually the service charge will be phased out and money collected by the Central Government will find its way into the local authorities to support their projects. But this project should be decided upon by the local authority itself and there should be absolutely no question of appointing officers to administer funds which have been collected in a certain local authority. The local authority itself, the councillors and mayor should be in a position to decide on what to do with the money which is supposed to go and repair unclassified roads. The unclassified roads are defined as those roads which are being maintained by the local authorities. In places like the City of Nairobi, Mombasa and Kisumu, you find that many of these roads are poorly maintained because none of this money which has been collected for Road maintenance goes to the local authorities. I support the gradual passing over of this money over a period of years from now to the year 2001 where 50 per cent of these funds will be available to the local authorities. All I am asking for is that, in the year 2001 when 50 per cent of this money is assigned for the repair and maintenance of unclassified roads, it will be the local authorities which will decide what to do, how to do it and retain the amount of money which they have collected within their own local authorities.

**The Assistant Minister for Finance (Mr. Keah):** On a point of information, Mr. Speaker, Sir. Thank you, Prof. Mzee for allowing me to provide just a little information on the utilization of the local authorities funds out of the levy. You will notice that we have said that there will be an advisory committee to be established under the Road Maintenance Levy Fund Section 8(a) of the Roads Maintenance Levy Fund Act. It provides for that advisory committee in so far as the specific roads to be repaired and maintained are concerned, the authority will get orders from the councillors themselves. They will determine which roads are to be repaired. But, it is the advisory committee which will then release the funds. I thought I should make that a little clearer, but your sentiments are noted.

**Prof. Mzee:** The people who should decide on the use of money are the elected people and we should elect councillors who are mature enough and who are in a position to decide on the use of money without relying on any other bodies. This money should be released directly to them after it has been collected because they are in a better position to decide. We have passed it to them and they have been doing a good job and, I think, we should allow them to continue to do that good job.

Mr. Temporary Deputy Speaker, Sir, even though at the present time, the councils have failed to collect garbage, repair roads and provide services, because they are unable to collect sufficient revenue to be able to render these services. I am very glad that we are moving to a position where the local authorities will have money made available to them to be able to provide these services. At present the Mombasa Municipal Council does not have enough revenue. It has already finalised plans to sell staff houses which are located in the prestigious Kizingo area of Mombasa. This is due to lack of funds to repair roads and to pay salaries. These houses at the present time are being occupied by the council employees including the senior officers. I am talking about a prime area where the present market price of houses, which had to be condemned and which are inhabited by people at the present time is in the range of about Kshs12 million to Kshs13 million each. The Municipal Council is planning to sell them at a mere price of Kshs800,000 each on the pretence of collecting revenue to run the services. Where are these officers going to stay? I can assure you that the Municipal Council of Mombasa will continue to employ officers; firemen, superintendents of refuse collection, town clerks, Town Engineers and other people who will occupy these prestigious houses in Kizingo

which are already earmarked for sale. Already the politically well-connected people have assigned themselves these houses. They are ready with the money and the Municipal Council is ready to sell these houses to them.

Mr. Speaker, Sir, I would like to see the Central Government, through this new taxation method, releasing more money to the local authorities to stop this Council from selling the assets of their own council on the pretext that they cannot collect sufficient revenue to give services and to pay salaries. I will be very happy at the present time, if the Minister for Local Government stops the officers of Mombasa Municipality from effecting their plans to sell these houses to politically correct people so that these houses are preserved for the future employees of the Council.

Mr. Temporary Deputy Speaker, Sir, on Catering Levy which is on page 540, I have to say this: At this time, the Catering Levy Act is collecting 2 per cent from all the receipts which are received for accommodation and food in all hotels in this country. The idea is to provide training for hotel employees and to promote tourism. What are the hotel owners on the Nairobi River Road or Mwembe Tayari in Mombasa got to do with the promotion of tourism in this country? They do not benefit from tourism nor do they benefit from training. The people who are working there as cooks and waiters have not even received primary education, leave alone receiving training from the prestigious Kenya Utalii College. All hotels are paying this levy. I think, if we are going to use the money from Catering Levy to promote tourism, it should strictly be confined to those establishments which benefit directly from tourism and the personnel coming from Kenya Utalii College; not from all the hotels in River Road and Mwembe Tayari, Kongowea and Mathare.

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

*[Mr. Speaker resumed the Chair]*

**Mr. Mulusya:** On a point of information, Temporary Deputy Speaker, Sir. I want to inform the hon. Member that the growth of the hotel industry especially, where the local people have invested, has really been hampered by the imposition of the 2 per cent Catering Levy. The 2 per cent levy, as the hon Member says, is meant to benefit all employees in the entire hotel industry. But unfortunately, when it comes to the selection of the staff to be trained at the Kenya Utalii College, very few hotels in that category which are already paying and collecting 2 per cent from the clients, do not get any employee benefiting from the training facilities at Kenya Utalii College. And it---

**Mr. Speaker:** Are you still informing?

**Mr. Mulusya:** Yes, Mr. Speaker, Sir.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Speaker, Sir. Could the hon. Mulusya declare his interest on this matter since he seems to be providing some inside information? He might know something that we do not know, but he should declare his interest because I think he owns a hotel.

**Mr. Speaker:** Is he a hotelier?

**Dr. Otieno-Kopiyo:** Yes.

**Mr. Speaker:** Apart from being a hotelier, is he anything else?

**Mr. Mulusya:** Mr. Speaker, Sir, I used to own a hotel which I closed in January, 1997; it is closed as we talk now and so I have no interest.

**An hon. Member:** Pole sana!

**Mr. Speaker:** You know the point of information must always be short because Prof. Mzee might lose his train of thought.

**Mr. Mulusya:** Mr. Speaker, Sir, he is a very intelligent professor. What I am saying is that those small hotels are not benefiting and instead, they get their customers chased away because of the 2 per cent levy which they are charging their clients. There are locals who cannot afford to pay 2 per cent over and above the other rates being charged on services that are being given by those hotels, especially in areas of providing beverages and beers. Prof. Mzee, you can continue and show the Speaker that you are not simple!

**Mr. Speaker:** By the way, Mr. Mulusya, you should never have some--- Just take care, so that you do not get into the wrong books of Mr. Speaker.

**Prof. Mzee:** Mr. Speaker, Sir, this issue of Catering Levy is hurting the small mwananchi who has opened a small hotel either at Mathare or at Eastleigh, because these are the people who are paying the highest amount of money into this Levy and they get absolutely nothing from it. There is absolutely no advice which is being given to them except harassment. Quite often the Catering Levy inspectors target these hotels at River Road, Mathare, Eastlands and at Mwembe Tayari for free meals, harassment and other things. Quite a number of times, the Catering Levy inspectors earmark these hotels at River Road, Mathare, Eastlands and at Mwembe Tayari for free meals because the

law protects them and the law includes them. I think the law should be amended so that it includes only those hotels which have got more than 200 beds. I can assure you that most hotels which accommodate tourists have more than 200 beds. Probably, the law should restrict this to restaurants which serve meals that are above Kshs300 per plate, but not for those hotels which serve *ugali* for Kshs25 per plate and chips also for Kshs25. Look at the way a poor mwananchi is being indirectly taxed through VAT and the Catering Levy. I do not know if mwananchi knows how much he is taxed when he buys a plate of chips for Kshs25. Besides the Catering Levy, there is also the VAT and other indirect taxes, which probably the hotelier pays when he goes to buy the ingredients from the supermarket to come and prepare those foods. It is an enormous amount of taxes. I am very glad to be told that this country is moving from direct taxation to indirect taxation. But indirect taxation also should take care of an ordinary mwananchi. In actual fact, the unemployed who are struggling to feed are the ones who suffer most on indirect taxation. The indirect taxation should be presumably only on luxury goods; things like chocolates, rolled sirloin steak and so on. But not on things which the ordinary mwananchi consumes like chips. The mwananchi should not be paying catering levy of two per cent on chips.

Mr. Speaker, Sir, I am talking about this Catering Levy to which this Finance Bill has proposed an amendment, and also on page 541, there is an amendment on the Tourist Board, also included in here. I have a very important suggestion on this. I hope the Minister for Finance is listening. My suggestion is that the Tourist Board should include the boat operators because they have been very much affected by the beach management programme. They are paying Kshs248 for each tourist they carry in their boats in order to show them the coral gardens in the Marine Parks, and they pay Kshs200 for every trip they make. This means that they are paying about Kshs448 for every person they take to see this coral garden. It is very wrong for these people, who are responsible for bringing in so much revenue to be excluded on the Tourist Board. Also, the fishermen have suffered quite a lot in the introduction of the Kenya Marine Parks. They are unable to fish in the waters they normally fish in. Since this is part of the beach management programme, which is under the Tourist Board, I think they should also be included in the Tourist Board.

*[Mr. Speaker left the Chair]*

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

Another important body also to be included in the Tourist Board is the Coast Development Authority (CDA).

Can you imagine, the CDA is not officially represented on the Tourist Board? The CDA is the only recognised Government body which is interested in developing the economy for the sake of the indigenous people in this country. We people from North Coast, are very good people. When the Kenya Wildlife Services (KWS) came and they said that the North Coast, from the English point right up to Mtwapa would be a marine park, we accepted that and allowed them to come in there. The reason why we allowed them is because they said we will pay only Kshs20. That fees of Kshs20 has jumped now to Kshs448! But the people from South Coast did not accept this. For example, hon. Mwamzandi and hon. Boy led their people to refuse KWS to touch the waters of the South Coast and KWS has failed totally to collect revenue. Since we people from the North Coast have been considerate, the KWS should also be very considerate to us and reduce the amount of fees they charge us. They should go back to the initial fee of Kshs20 they used to charge when they started this programme.

Mr. Temporary Deputy Speaker, Sir, when I look at the Miscellaneous Amendments on page 534, I am very glad to note that the Central Government is going to guarantee a loan for any project which is undertaken by Local Authorities *et cetera*; that if these Local Authorities fail to remit the loan money for that project, they have been given power to get hold of that project and the revenue accrued from that project so that they go and pay the loan. This is good. But we have to watch on two things. Quite a number of times and if you look at all projects which have failed in the past, and which have failed to pay for the loans, you will find that these projects themselves are economically non-viable. They do not generate any income. So this amendment might be an amendment in a vacuum and it does not have any basis whatsoever because the projects themselves are non-income generating projects. That is why no revenue has accrued and that is why no loan can be paid. But also, I would like to caution that if at all an agent is appointed to collect revenue so that it can go and pay for a loan, we should keep away from KANU lawyers, because they are reputed to pocket any collection they have made. They have done this to the Nairobi City Council. With all due respect, I know the Temporary Deputy Speaker in the Chair is a KANU lawyer, but he is not involved in it. But we have had other lawyers who have been reputed not to remit money which has been collected.

**The Temporary Deputy Speaker** (Mr. Wetangula): Prof. Mzee, do you want to discuss me?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I was going to make it clear that---

**The Temporary Deputy Speaker** (Mr. Wetangula): There are no KANU lawyers.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, if you a Member of Parliament and you are a lawyer, you are a KANU lawyer. If you are a KANU supporter and you are a lawyer, you are a KANU lawyer. We know these KANU lawyers, they are well defined. We know that they have been mentioned in this House that they collect revenue on behalf of the Nairobi City Council and they never remit it to the Council. That is why the City Council is collapsing. All I am doing is to tell my friend, hon. Keah, that if at all he has got to appoint people to collect money from projects which have failed to meet their obligation on loans, he has to be very careful on what agents he chooses.

He should learn from the past mistakes. Every time this happens the Government pays this money on behalf of a state corporation. That is tax payers' money which is never recovered.

Mr. Temporary Deputy Speaker, Sir, on page 533 we have family tax relief. We are told how wives' employment income is to be taxed. But I would like to remind the Minister that Africans are polygamous; they do not have one wife. Whenever you fill in tax returns, you experience confusion. If you have three or four wives, how do you fill in the return forms?

**The Temporary Deputy Speaker** (Mr. Wetangula): Prof. Mzee, I thought that, that problem is only with African Muslims!

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, this is an African practice. I can tell you that even my friend, hon. Keah, has one wife whom he married in the church, plus several wives married traditionally.

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member substantiate, here and now, that I have one wife married in the church and other wives married elsewhere? I want him to give the name of my wife whom I married in church and the names of the other wives married elsewhere.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, Kadzo wa Mweru is one of them. Let him not tell me that he does not know her!

**The Assistant Minister for Finance** (Mr. Keah): That one is bogus!

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, before I started naming them I knew that he would say that they are bogus. But he knows about them.

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. I want the hon. Member to deposit on this Table the marriage certificate of the wife I married in church plus tangible evidence of my other wives. If he does not have that tangible evidence, he must withdraw his allegation. He has really attacked me personally.

**The Temporary Deputy Speaker** (Mr. Wetangula): Prof. Mzee, have you been hired to break hon. Keah's family? Can you withdraw your remarks?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I will not discuss hon. Keah's marital status, but he cannot tell me that he is not by nature polygamous. But I have withdrawn my remarks.

## QUORUM

**Mr. Moiben:** On a point of order Mr. Temporary Deputy Speaker, Sir. We are discussing a very important Bill---

**Mr. Falana:** You have just come in; sit down!

**Mr. Moiben:** Mr. Temporary Deputy Speaker, Sir, I am on a very important point of order. Could he keep quiet? Could I be heard in silence?

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Falana!

**Mr. Moiben:** Mr. Temporary Deputy Speaker, Sir, I am being hurried by the Deputy Chief Whip. We are discussing a very important Bill, but there is no quorum in the House.

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Moiben, you are right, but you are a nuisance! Ring the Division Bell.

*(The Division Bell was rung)*

We have quorum now; continue, Prof. Mzee.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, this is a very important issue that I would like the Minister to clarify. He has to recognise that certain societies in this country are polygamous. The law provides for tax relief for one family, but a man might have three or four families. In this case, he should be entitled to tax relief

for four or five families, just as he is required to declare the income of all his wives. When laws are being made in Africa, they should take into consideration the real situation of Africans, and reflect African values and traditions. In this way there will be no ambiguity.

Whenever you go to the income tax officials and ask them which of your several wives' income you should declare as part of your income, they never answer that question. This is because we copy Western laws, where people are outwardly strictly monogamous, while inwardly they are polygamous. I am telling you that every man is by nature polygamous.

Whether you admit it or not, every man is polygamous. If any one of us stands up here and declares that he is strictly monogamous I will tell you that there is something wrong with him. This is because biologically---

**The Temporary Deputy Speaker** (Mr. Wetangula): Prof. Mzee, are you saying that every man is potentially adulterous or essentially polygamous?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, because my friends do not want to admit that they have several wives, then we can say that they are adulterous. But no man, since we are creatures of biology, can come in and contradict nature.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Are you satisfied that the word "adulterous" is not unparliamentary?

**The Temporary Deputy Speaker** (Mr. Wetangula): It is not unparliamentary.

**An Hon. Member:** It is not. It is even used in the Bible.

**Dr. Otieno-Kopiyo:** Well, if you rule so, Mr. Temporary Deputy Speaker.

**Prof. Mzee:** No, most of us are polygamous.

**The Temporary Deputy Speaker** (Mr. Wetangula): Are you trying to justify your own habits.

**Prof. Mzee:** No! It is the truth. You cannot run away from the truth. When you look at our own animals and, in particular, cows, you will find that one bull services 50 cows.

**Mr. Sankori:** On a point of order, Mr. Temporary Deputy Speaker, Sir. What does that have to do with the Financial Bill here? If you want to discuss botany or zoology then this is a wrong forum.

**The Temporary Deputy Speaker** (Mr. Wetangula): No, no, hon. Sankori! He is not out of order. If you followed his arguments although they are illogical, he is not out of order.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon Prof. Mzee confessing in this House that he is an adulterer?

**The Temporary Deputy Speaker** (Mr. Wetangula): Professor, can you confess?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I am not an adulterer. I am a legal polygamist. I have more than one wife. It touches on my conscience when I see in the Income Tax returns that one of my wives should be included in the income tax returns. Is it wife number one, two, three or the one with the highest income or the one with the lowest income who should be included in these returns?

So, I want this ambiguity solved. I am not alone in this country. There are many like me. I am sure that there are many on that side. I can see them nodding their heads in agreement.

**Mr. Maundu:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not understand the argument that my hon. friend is professing. Is he seeking the re-introduction of the poll tax or the hut tax?

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Maundu, you have just come in. If you were here all along, you would have followed his arguments. He is not out of order. Prof. Mzee, hon. Maundu wants to know whether you are seeking the introduction of hut tax?

**Prof. Mzee:** No, he should know that I am taking about family relief. An African family can really be very big. So, this matter should be taken very seriously and the income tax people should have a law which relates to an African situation rather than relating to a Western situation and pretending that we are monogamous and yet we are not.

Mr. Temporary Deputy Speaker, Sir, there is another issue which I would like to touch on. I think, probably this issue is a very important one. This issue relates to transit cars. There are a large number of transit cars which come into this country. Under the provision of Section 16(2), those people who bring in transit cars are given a limited period to release them to their destinations. However, you will find quite a number of times that the transit cars do not leave this country. They remain here. The trick that they use is that the people who bring in transit cars also import reconditioned cars. They in turn use the plates of the reconditioned cars on the transit cars. The plates are changed. The duty chargeable on the cars which are supposed to be on transit would be as much as Kshs1 million and the duty on reconditioned cars could be as little as Kshs60,000. But we have the plates for reconditioned cars which have been imported removed and used on transit cars which are supposed to attract heavy duty. This is one way of cheating---

**Dr. Kituyi:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Hon. Prof. Mzee, I wish to

inform you of one particular case which is consistent with the particular mistakes that you are mentioning now.

On the 18th October, 1994, Interact Transport Company which is one of these large truck transporting companies imported six unpacked trucks with trailers, ostensibly as transit goods destined for a country beyond Kenya. Contrary to the provisions of Section 16 (2) of the Customs and Excise Act and Regulation 96 of the Customs and Excise Regulations as amended by Legal Notice number 148 of 1994, these trucks had not been removed from the country after a period of two years. Then the Kenya Revenue Authority moved to seize those trucks on the 8th day of March 1996, all those six trucks with their trailers had acquired registration plates as if they had been locally registered and when a search was done in Nyayo House, it was found that all those plates belonged to reconditioned second-hand cars imported from Japan. This is part of the evidence to show people are avoiding paying high duties by pretending to import second hand cars and using their registrations to get plates onto vehicles smuggled in as if they were in transit.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I do not know if you have noticed that somebody has turned this Parliament into a bedroom?

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Mbeo, I think you were here in the morning when I said that when limited liability company is mentioned here, it is public knowledge and you should go to find out who are the directors. You do not have to bother us with questions here as to who owns the company.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I do now know whether you have noticed that somebody has turned this Parliament into a bedroom. He is totally fast asleep.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. You know I was thrown into the Nairobi River the other day. So, I have pneumonia and I am trying to rest. It is quite in order.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, having recalled that hon. Otieno-Kopiyo was thrown into Nairobi River, I sympathise with him. I do understand that he is sleeping not because I am boring, but because he is not feeling so well. But all this fracas that is going on in Nairobi centres on one thing.

**The Temporary Deputy Speaker** (Mr. Wetangula): Have you been derailed from the point that you are making?

**Prof. Mzee:** No, Mr. Temporary Deputy Speaker, Sir. This is still on taxation. There is a saying that goes on like this: "No taxation without representation" It is actually a very important one. It is very important now in this country. This concerns collection of taxes and I have to re-emphasise that the Opposition was never involved in the Standing Committee in discussing the Estimates or any taxation measures which had been tabled in this Parliament. We were actually taken by surprise. That is why we insisted that if there are no reforms then there is no Budget. This is because we feel that if we are going to go on for another period of five years with business running in the same way, then these Kenyans are going to be cheated. That is why we insist that there has to be reform first before the next elections. If there are not going to be any reforms before the next elections, then it is like you are taxing people without allowing them to be properly represented in this House.

The plan of the Opposition on what is going on in this country and I have to draw the attention of the Speaker, is very serious. Today, the police have killed two more students innocently in the examination room. We as the Members of Parliament cannot just sit and let this country deteriorate. It is the duty of the Government side and it is the duty of the Opposition to come together and see that reasonable reforms are made, so that there would not be any Budget in the future which will be tabled in this House without the Estimates Committee looking at it.

Mr. Temporary Deputy Speaker, Sir, according to the way things are going on at the present time, Parliament is a rubber stamp. It has not succeeded in bringing up even one single amendment to any Budget proposal for the last five years.

Mr. Temporary Deputy Speaker, Sir, the Budget has been passed, but this House has absolutely no control over how this money is spent. Until probably, after six or seven years when the Auditor-General presents audited reports, we find that year-in-year-out, there are lots of mismanagement, misuse of public funds, misappropriation of funds, funds not used for the purpose which they were voted for and so on. And yet there has not been a single accounting officer who has been brought before court for mismanaging public funds. It is very important that we have reforms in this country. Through the reforms---

**Dr. Otieno-Kopiyo:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Prof. Mzee, I wish to inform you that this afternoon, the National Convention Executive Committee submitted to the Presidents of IGAD a memorandum, so that they could immediately create mechanisms for resolving crisis in Kenya peacefully through the promotion of dialogue. If this does not happen, then Kenyans reserve the right to take up arms against this Government.

*(Applause)*

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I love this country and I would not like to see this country

deteriorate into chaos. We have worked very hard to build it to where it is.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Members, can you desist from making irresponsible statements on the Floor of the House?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, Kenyans are being asked to approve a taxation Bill---

**The Assistant Minister for Finance** (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir, I am disturbed by the point of information by hon. Kopyio. Is he in order to use the Floor of this House to incite Kenyans to take up arms against Government? Are you satisfied that he is in order to use the Floor of this House to incite Kenyans against the Government? Is that the business we should be talking about in this House when we are particularly discussing the Finance Bill?

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Keah, I have just said that hon. Members should desist from using the privilege of Parliament to make irresponsible statements.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, we are asking Kenyans to take action so that the Government can run its business.

**The Temporary Deputy Speaker** (Mr. Wetangula): It is so easy to call for violence!

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, I am not calling for violence. In actual fact, I fear violence. The only way we can avoid violence and anarchy in this country is to agree on very reasonable reforms.

We want to make this Parliament powerful. At the moment, there is only one man in this country who has all the powers. That is the President. The Executive accumulates all the powers. Initially, we had three bodies: the Executive, Legislature and Judiciary. Now, Judiciary is not functioning independently. It is under direction of the President who appoints judges. This Parliament is not in a position to determine its own programmes. If we cannot meet as a Select Committee on estimates and agree or disagree on what should be in the Finance Bill, then Parliament is "impotent". This is the reason why all Kenyans heeded the call by the Opposition to go on strike.

Mr. Temporary Deputy Speaker, Sir, strikes in this country could be very peaceful. Taxpayers love this country, but they want to see their views listened to and so on. The only way this can be achieved is for this Government to accept reforms. There is only one person who stands on the way of reforms in this country. If President Moi says that he has accepted reforms, KANU Members of Parliament would be the first people to sing that song: "Reforms! Reforms!" It will not take them a day to debate them. They will not even have words to discuss reforms, but they will accept whatever changes hon. Biwott, through President Moi, proposes. They will be alright for them.

Mr. Temporary Deputy Speaker, Sir, the reforms become part and parcel of a stable and sustainable country with a very viable economy. If we want a very viable economy, accountability and transparency in this country, then we should allow reforms before the next election.

Mr. Temporary Deputy Speaker, Sir, we have had one individual in this country who, for many years, had been paying taxes either direct or indirect. His name is Mr. Khalid Balala. The Government has allowed him to come back to this country, but with conditions. All that we are asking is that he should be allowed to come back without conditions. His passport should be given back to him, but not a one-way travel document to come here. This country maintains that Khalid Balala is not a citizen. Khalid Balala like any other citizen who pays taxes had suffered a lot. He has to be compensated for suffering. It is his right to be compensated as a taxpayer. For five years, Kenya Government received taxes from this man. He should be protected and should come back without conditions imposed on him. His passport should be given back to him, compensated for the suffering and the Government should apologise to Muslim community in this country.

Mr. Temporary Deputy Speaker, Sir, I completely oppose the Budget without reforms. With these few words, I would like to give other Opposition Members an opportunity to contribute.

**The Assistant Minister for Commerce and Industry** (Mr. Osogo): Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me an opportunity to contribute to this Bill.

I would like to remind the House that after the Vote on Account resolutions passed here a few days ago, this Bill endorses those resolutions. It gives facilitation of those resolutions as passed by the House that taxes would be collected.

I would like to agree with hon. Members who said that it is this House that is "fermenting" problems in this country. There was a film called "*Love Brewed in African Pot.*" The problems of this country are brewing in this House. We cannot blame wananchi for chaos in this country. We are endorsing these taxes to enable our Government to function. But this House has to take steps and consider its activities vis-a-vis peace in this country. It is not helping anybody for us to be told that memoranda have been sent to Inter-Government Authority on Development (IGAD). IGAD will not help this country. It is hon. Members in this House that will save the situation for Kenya. I think it is high time that we looked at ourselves again, even before elections, and see how best we can save this country, rather than running to IGAD or the streets and asking people to attend unlicensed meetings.

All along, I have been waiting in this House. I have got history behind me. We had a Bill that had been tabled by the late Mr. J.M. Kariuki. It was debated here and passed. He drafted it himself, using the facilities that are provided in the Standing Orders.

The pro-reform hon. gentlemen, full of lawyers as they are, have not drafted what they want the Constitution to be, to make us know what they are thinking about. I would like to say to them---

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

**Mr. Boy:** Huyu hana hoja yoyote! Kaa chini wewe! Afadhali mhe. Shikuku aseme kwa maana yeye ndiye husema kuliko wewe!

**Dr. Lwali-Oyondi:** Mr. Temporary Deputy Speaker, Sir, I think the Chief Whip is making too much of a noise than anything!

**The Temporary Deputy Speaker (Mr. Wetangula):** Order, Dr. Lwali-Oyondi! Hon. Boy, Dr. Lwali-Oyondi is not here on behalf of, or as an annexure to hon. Shikuku. He is here in his own right. Proceed, Dr. Lwali-Oyondi!

**Dr. Lwali-Oyondi:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. I am the Member for Nakuru Town.

Is hon. Osogo in order to mislead this House that the Opposition has never tried to put down what they exactly want? First, there was a Bill drafted here by a Member of the Opposition and it was rejected by the Chair. Secondly, we have put down exactly what we mean by minimal constitutional, statutory and administrative reforms that we need. We gave these to the Government, including the President.

**The Temporary Deputy Speaker (Mr. Wetangula):** Which Bill was that?

**Dr. Lwali-Oyondi:** It was tabled here by hon. Ndubai.

**The Temporary Deputy Speaker (Mr. Wetangula):** It was rejected because it was defective.

**Dr. Lwali-Oyondi:** The Chair could have guided the Member so that we could have a better draft.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** Mr. Temporary Deputy Speaker, Sir, I am old enough in this House to know how a Bill is presented. The one Dr. Lwali-Oyondi is referring to, which was printed in colour and in a floating language, which was not legal language, could not be accepted. There are channels to be followed before a Bill is presented. It is normally printed like the one we are debating now. Even a private Bill is printed in this blue paper and brought here. This has not been effected and initiated by the Opposition. Yet, they are crying that they want certain reforms to be made.

**Mr. Shikuku:** Jambo la nidhamu, Bw. Naibu Spika wa Muda. Mhe. Osogo kwa makusudi, anajaribu kupotosha Bunge hili kwamba Upinzani unauliza mabadiliko ya kikatiba ilhali hawajui ni yapi. Hali, katika sheria za Bunge hili, huna haja ya kumwambia mheshimiwa jambo lolote lililo katika gazeti ili athibitishie.

Lakini nakumbuka, na kwa vile yeye ni mzee, tulikuwa Limuru na tukatengeneza yale mabadiliko machache ambayo---

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

**Mr. Shikuku:** Alisema hatujui na wala hatujasema tunataka mabadiliko gani! Huo si ukweli!

**The Temporary Deputy Speaker (Mr. Wetangula):** That is his opinion and this is yours.

**Mr. Shikuku:** Lakini yeye anasema hatujui wala hatujawahi kusema! Huo si ukweli!

**The Temporary Deputy Speaker (Mr. Wetangula):** Order! Hon. Shikuku, hon. Osogo is entitled to his opinion, whether you agree with him or not. Proceed, hon. Osogo!

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** Mr. Temporary Deputy Speaker, Sir, the hon. Member for Butere was in this House when we debated the late Mr. J.M. Kariuki's private Bill. I have spoken of a private Bill being tabled in this House by the Opposition, giving us amendments to the Constitution, clause by clause. That is what I am talking about.

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Osogo is still misleading this House. He knows pretty well that there are a lot of procedures which a Bill has to undergo before it is tabled in this House. The attempt by hon. Orenge to get a Bill for minimum reforms in this House was blocked by the Speaker.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** Mr. Temporary Deputy Speaker, Sir, that was a Motion which was not necessary, if the Bill was not going to be published. It is expensive for a private Member to bring a Bill here. It is not just a Motion that is drafted and moved. We know how much the late Mr. J.M. Kariuki spent in publishing the first private Bill that was ever published in Independent Kenya. In continuing, I want to confine myself on the provisions of this Bill, and I am on page 500, Clause 4. When I was listening to hon. Otieno, his speech reminded me---

**Dr. Otieno-Kopiyo:** 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 need any information from Dr. Otieno-Kopiyo. He is still breathing hard from swimming in the Nairobi River.

**An hon. Member:** He is still choking!

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member for Bunyala, for whom I have a lot of respect, is trying to say things that he cannot substantiate. How does he know how hard I am breathing from where I am? I only want to inform him that constitutional reforms are here to stay, and they will come! Whether I will go into the Nairobi River ten times, we will have those reforms.

**The Temporary Deputy Speaker (Mr. Wetangula):** Dr. Otieno-Kopiyo, did you not say that you fell into the river, and you have been mourning? Carry on, Mr. Osogo!

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** Mr. Temporary Deputy Speaker, Sir, I was only repeating what the hon. Member had said himself.

I was saying that the speech by hon. Otieno reminded me of the days when the late hon. James Gichuru was the Minister for Finance. When he was presenting his Budget to this House at Independence, he had a lot of foreign or expatriates in the Ministry. Some of us used to think that he was presenting a Budget that had been devised by the expatriates. When I soberly read his Budget Speech afterwards, I was wondering whether it was really true that the Minister for Finance, whom I knew very well, was deliberately trying to kill the industries here, by reducing the duty on imported manufactured goods by ten per cent.

But the speech which was made by hon. Otieno must be taken seriously by the Assistant Minister who was sitting here and listening. This is because things like textiles, which produce clothes, can be imported by scrupulous businessmen---

**The Temporary Deputy Speaker (Mr. Wetangula):** By unscrupulous businessmen!

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Osogo):** I meant to say unscrupulous people.

Mr. Temporary Deputy Speaker, Sir, there is a duty reduced to 25 per cent knowing very well that next year the duty will go up. When the duty goes up, and it is bound to go up because most of our factories are going to close down, we will have problems. So, the manufacturer will keep his goods at exile in his godown to last this country several years at a reduced rate of 25 per cent duty. In 1994, when I was an Assistant Minister in Commerce and Industry, I found by accident that there were manufactures who were laying off their employees, removing machinery and repainting them to look new and transferring them at night to Uganda. There were three factories that were involved in this. I pointed this out to my Minister. I came to know this because of my constituents who are job seekers, and who wanted me to look for them an opportunity to follow these manufactures to Kampala. I was unable to do that, but I went to these factories and found that that was true. The factories were closed down and the machinery was not there. They had gone to manufacture similar items in Uganda. That was the time when Uganda was just stabilising.

**Mr. Munyasia:** On a point of order, Mr. Temporary Deputy Speaker, Sir. If, indeed, the Assistant Minister told his Minister about this particular scandal what did his Minister do in response?

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Osogo):** Mr. Temporary Deputy Speaker, Sir, that is a point of argument, but I can assure him the Minister stopped further activities in that line.

I would like to come to page 503 of the Bill which deals with imposition of dumping duty. I am not a lawyer, but I am worried about how the Minister will function with this Clause as it stands now. Section 125(1) it reads:

"Where it appears to the Minister, on the advice of the advisory committee appointed under subsection (6)"

In subsection (6) it has not been explained how the advisory committee is going to be appointed and who are going to be the members. We cannot rule out the possibility of the Minister appointing his friends to be on this advisory committee. What I am worried about is section 125 (1)(a) which reads as follows:

"If the Minister finds that goods of any description are being or have been imported into Kenya in circumstances in which they are, under this Act, to be regarded as having been dumped; then the Minister may require the exporter to revise the price or to cease exporting such goods to Kenya forthwith"

Mr. Temporary Deputy Speaker, Sir, the Minister does not know the importer because he imports goods secretly. The Minister is providing in this sub-clause that he is going to contact the exporter from the other country and tell him to cease exporting goods to Kenya. How is that going to happen? The practicability of that clause is what is worrying me. So, in replying, the Minister should tell us how he will know the exporter and have influence on him to revise prices or to advise him to cease exporting. When the Minister is replying, I hope that he will be able to explain

that clause to me. I am in darkness as pertains to that clause.

While on this, recently we read in the newspapers that overseas countries are trying to ban the importation of our fish to their countries because of a certain virus. I would like to point out to the Minister that we also need protection. Now, if there is a virus in Kenya, the Kenya Government should be in a position to take care of the virus so that our fish can continue to be exported. The foreign currency earned from fish exported is quite colossal as we know it.

Coming to Clause 6 of this Bill, on page 505, under Section 126 (1) of the existing Act, the Minister gives subsections (a) (b) (c) and (d). Reading through them, I fail to understand what means the Minister will use to know what is happening in the provisions given in that Clause 6. When he stands up to respond, he will explain.

Section 126 (1) states:

"For the purpose of section 125, imported goods shall be regarded as having been dumped if they qualify in "a", "b" or "c"."

He goes further to say:

"Imported goods shall be regarded as having been dumped if the importation is causing injury to Kenyan industry"

The reduction of duty is already going to cause injury.

I now come to Clause 8 on page 507 where it says that when the Commissioner is of the opinion that collecting penalty or collecting duty is going to be difficult or it is not going to be of any value to the Kenyan revenue, then he will, out of his own volition destroy those goods or dispose them off by himself. This is a loophole that can cause panic at the Kenya Ports Authority like what happened recently when a number of officers there were arrested and taken before courts of law to answer charges relating to the disappearance of certain vehicles there. This kind of open-ended provision gives that opportunity for the Commissioner to declare certain goods of being of no value and, therefore, act unilaterally to dispose them off. I am not implying anything against the Commissioners who are there, but I am saying that the possibility is that his home will be full of goods which will be declared of no value. He will declare them and carry them home and give them to his friends. So, that loophole is there. I said in my speech on the Budget that Treasury should find ways and means of collecting the Value Added Tax at source. That means that at the point of entry or at the factory.

Mr. Temporary Deputy Speaker, Sir, when goods come in, for example, motor vehicle spare parts, if they are taxed at the port of entry, then the importer sells them out to a retailer in Nairobi and charges VAT on those items, the retailer in Nairobi sells these spare parts to some retailer in Kisumu or Busia and is also going to charge VAT. This will show because he has registered as a VAT payer with a VAT number. Now, that is what has brought inflation so high and the cost of these commodities so expensive. That is why we are appealing that Treasury should find ways and means of collecting tax of whatever percentage at source. Either at the port of entry or from the factory when the goods are going out. It will greatly help the small buyers.

Mr. Temporary Deputy Speaker, Sir, let me come to a point that was raised by the hon. Prof. Mzee, and I agree with him that when the Minister is appointing agents to recover the debts, he should be more careful on what agents he is going to appoint. Because, it has been disastrous for the Local Government or the City Council, with the information we received in this House that 30 lawyers were collecting debts and not remitting the collections. I am a victim from whom they collected debts and I am still being harassed that I have not paid certain rates and yet the money was collected by a lawyer.

Mr. Temporary Deputy Speaker, Sir, page 536, Clause 54 is repealing a section of the Trade Licensing Act. It is repealing a schedule of the Trade Licensing Act. That is welcome news, as I said this morning, when I was seconding the amendment to the Motion on local authorities. There is a Clause which says that all the licence fees that the Central Government has been collecting by way of trade licences is going to be done by the local authorities. That is very welcome, but I would like to warn that the Government rates on trade licences has been uniform throughout the country. If you are a wholesaler and you are paying Kshs4,000 for your licence it would be the same in Busia, Nairobi and Garissa. But we are leaving it open ended to the Local Government to put any fee. There must be a way how this is going to be controlled, because the Local Government is looking for finances on how best they can balance their budget. So when they raise fees and particularly fees on Trade Licences, it is going to be very unfair for the businessmen when the Local Government puts any fee. So, I think it is a welcome move, but there must be a way to control the Local Government in putting up the fees for these licences. They usually gazette their fee, but some, for example, would gazette the fee for a licence for a barber to be Kshs600 per annum in one area and it would be Kshs1,600 in another area. So, I am trying to seek uniformity, now that, that aspect of trade licensing is leaving the hands of the Government and going to the Local Government.

Mr. Temporary Deputy Speaker, Sir, page 542, Clause 6 to 7 is dealing with deletion of the word petroleum

and inserting the word energy. I have looked through the Bill, but I have not seen the definition of the word energy. Maybe when the Minister will be replying, he will define the word "energy" so that we can know we are replacing petroleum because we know what it is, and the definition of energy. Maybe it is defined in another Act, but it is important that we know whether we have replaced petroleum with energy and the right definition of energy given.

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I have checked on my records, concerning the Bill which I indicated that hon. Orengo had prepared, and I have seen that actually, hon. Orengo had given a notice to move that motion on 15th April. I stand corrected on what I had said previously that it was refused by the Speaker. Actually, notice of that motion was given.

**The Temporary Deputy Speaker (Mr. Wetangula):** So, could you tender an apology to the Speaker, Prof. Mzee?

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, actually, I tender the apology to the Speaker and the House, but hon. Osogo stands corrected that the Opposition do prepare Bills.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** Mr. Temporary Deputy Speaker, Sir, I remember I left that topic long time ago. I am on something else and that point of order coming in is obscure.

**The Temporary Deputy Speaker (Mr. Wetangula):** Anyway, he had consulted me that he had checked the facts and found that he was factually incorrect in the assertion he made. I think it is only honourable that he owns up to what he has said.

**The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Osogo):** I accept, Sir. Thank you.

Mr. Temporary Deputy Speaker, Sir, I was coming to the Road Maintenance Levy Fund. This is provided for in Clause 69, page 543. This is a very welcome move, and it is giving the percentage of how this Levy is going to be disbursed to the local authorities year after year, beginning this Financial Year where 8 per centum shall be paid into the General Account and 20 per centum will go to the Local Authority Account. It will continue to happen year after year until the 2001 Financial Year. My worry, and I would like to support very strongly what hon. Obwocha said, is that when this money is disbursed to the local authorities, it will go into the paying of the existing debts and salaries of this Local Government for accounts which have not been audited. We are told some of them have un-audited accounts running to seven years. So, a condition should be given to the local authorities that before any local authority disburses this money, they must produce up to date accounts, so that they are known. It is very important that, that happens. Otherwise, we will be giving out this money for the purpose of maintaining rural roads when nothing will happen to maintain them. Instead, this money will go to paying salaries and paying debts that have been outstanding. I think it is an important point that the Minister for Finance, in conjunction with the Minister for Local Government knows how this money should be disbursed, so that it goes literally to what we are passing here.

It would be useless to disburse the money to Bungoma County Council and expect it to maintain rural roads when they do not have a single machinery that can maintain the roads. They will just buy hoes and give them to some old women somewhere and tell them to go and work on these rural roads. So, I am seriously suggesting that before this money is disbursed in the percentage stipulated here, some of it should go to provide road maintenance machinery to the local authorities concerned, especially those that do not have machinery of any kind. My council is one of them. It has neither a tipper nor a grader. So, I would seriously suggest that before this money is disbursed, the local authorities that do not have machinery to maintain these rural roads, should be assisted to procure machinery to enable them to maintain rural roads.

Mr. Temporary Deputy Speaker, Sir, on page 504, Clause 70 says that the Road Maintenance Levy Fund Act is amended by inserting a new section immediately after Section 8 and it is going to be Section 8(a). It states that:-

"The officer administering the Fund shall, by order published in the gazette establish an advisory committee to advise him on the manner of allocation of the Fund to the local authority accounts which the Fund comprises."

This is what the committee is going to comprise:-

- (a) Two persons appointed by the Permanent Secretary of the Ministry for the time being responsible for the Local Government, one of whom shall be appointed as chairman.
- (b) There will be two persons also appointed by the Permanent Secretary who for the time being is in charge of works and;
- (c) Two persons appointed by the Permanent Secretary of the Ministry for the time being responsible for finance."

My fear is that, these three Permanent Secretaries can come from one region. This cannot be ruled out. The Permanent for the Ministry of Finance, Local Government and Public Works and Housing may come from one region because whoever appoints them may not be knowing that this Clause is there and they will appoint two people each

from that region. So, you can expect a lot of unfairness being played by this committee. I am seriously suggesting that there should be eight people appointed; one from each province, not necessarily civil servants. They will be able to know how much a province is getting from this Levy. You never know, there is every possibility of all these people coming from one region; without any intention that they will play havoc with Act, but it would have given them power to appoint these people.

Mr. Temporary Deputy Speaker, Sir, I have no quarrel with Clause 71, It is only hon. Prof. Mzee who had a quarrel with it when he was saying that officers to the local authority should be appointed so that they get the chance of getting the reward that is provided for in that. Unfortunately, the local authority officers are excluded by the proviso. But as it stands now, that has been provided for.

Lastly, there is a typing error that I had detected and which I would like the Minister concerned to take note of lest it goes out when the final copy is being printed. On page 513, there is a typing error on Clause 21. The Value Added Tax Act is amended by inserting the following proviso at the end of Section 24.

"Provided that no fund shall be made under paragraph (b) of this Section, unless the claim in respect thereof, is launched within 12 months from the date the tax become due and payable under Section 13."

So, up to there, I think, it is a typing error because it would not make sense to me in English, if it is left like that.

Finally, I would like to go to the Second Schedule, on page 621, which deals with cotton sewing machines. Somewhere in the middle of the Schedule on that page, it says:- Cotton sewing threads not put up for retail sale will attract 15 per cent duty and it will be containing 85 per cent or more by weight of cotton. Then there is also cotton sewing threads not put up for retail sale, which is also going to attract 15 per cent duty.

I do not know the difference. Here is cotton thread which is going to be put up for retail sale and it is attracting 15 per cent duty. Again there is cotton thread which is not put up for retail, I do not know whether it is for wholesale, but it is also attracting 15 per cent duty. In this country we have factories that are manufacturing sewing threads. One is in Thika, Industrial Area here and another one in Ruiru. These ones are going to be paralysed by this Clause. This is because there will be importation of sewing thread that is going to be put up for retail and another one that is not being put up for retail and it is going to attract same duty from the same buyers. I do not understand that mathematics. Maybe when the Minister will be replying, he will make my mind clear on that one.

These are the remarks that I had to make for the purpose of clarification because we have been challenged in courts of law for having passed Acts here that are difficult to interpret in the courts. Lawyers go on interpreting and the learned judges go on refusing the interpretation and the blame comes to this House for having not made clear certain Acts. That is why I have the opportunity to request, and also apologize for not being a lawyer, that certain clarifications for lay people like ourselves could be made where the Minister is not physically able to operate an Act of Parliament when it is enacted.

With these remarks, I beg to support.

**Mr. Muluya:** Thank you, Mr. Temporary Deputy Speaker, Sir. I want to support the sentiments expressed by hon. Osogo in this Finance Bill and also by my colleague, Prof. Mzee. There are some areas where the Minister should have at least tried to increase the duties payable so that the local industry is protected. These are areas like the textile industry and the jua kali sector which has done excessively well.

When you go to countries like India, Indonesia and Malaysia, you find that in areas where the locals have invested heavily and where they have the know-how, the Government makes sure that duty is reduced at high level only on the tools which are used in encouraging this sector to prosper. In most cases, where the jua kali sector is being encouraged, for the items which are useful to the improvement of the general output and the workmanship, you find that their duty is zero rated. In this country, we would have expected items which are mainly used in the jua kali sector, like the welding machines to be zero rated. Where possible, the Government should even give higher incentives by giving low interest rate loans to those people who are interested in venturing into that sector. It should also ensure that anybody who wants to import goods targeted for the jua kali sector is assisted so that this sector can be able to compete effectively with the products which are being produced elsewhere in the world. Today, we are seeing people importing wooden beds; beds made of camphor or soft wood. If there is an area in this country in which we are well endowed, it is in the area of carpentry. Our local artisans produce virtually every product to the highest standard.

So, I would have expected the Minister to come up with total zero rating of welding machines, machines which are used in the splitting of wood, laning, general wood-work machinery and machinery for bending of steel, if we want to fabricate high quality furniture, which is being imported now. Right now the bending is done manually using archaic methods of bending which do not give high quality finish to the steel products. If we could have the duties on these machinery reduced, and have machinery which can do that work at affordable levels, that same person who is using free hands to cut *mabatis* to make hurricane lamps and so on, and the jua kali sector as a whole would be able to

prosper. Presently, we are not even looking at the international market, but at the local market. If the jua kali sector was able to get slightly more advanced machinery at affordable prices, the demand is insatiable. Instead of having items imported from India, China and other countries which have flooded our supermarkets and hardware shops, these items would be fabricated here because we have a lot of steel which can be re-cycled and used for that purpose. If the machines which are being used here are affordable, then there is no reason why our jua kali sector cannot absorb much more than it is doing now in terms of labour.

Mr. Temporary Deputy Speaker, today we are simply encouraging our industries to lay off labour. In this Bill, we have reduced duties on textile products. Already, our existing textile industries have been closed down. After closing down, instead of the Government encouraging them to re-open and pick up, we are now encouraging mass importation because we are lowering the duties. At the end of the day, we are creating employment for those foreign countries from which we are importing these products. Our labour force which is idle and unemployed is growing. That is why when you say: "Let us go to the streets and demonstrate against the inhumanities being meted out by this Government against Kenyans", you readily have the forces. They are there, you do not need to look for them. All you need is to make a press statement and tell them: "Let us meet at Uhuru Park", and they will be there. They have no offices to go to, they have nothing else to do. Even if they are not coming to listen to us, they just want to see those people who are calling them and promising them a good future, when this Government eventually brings reforms. How do these reformists look like and what are they going to say and in what language? These people are just coming to see what is happening and in the process they get beaten up by the police. Their only crime is curiosity because they have nothing else to do. They have no tools with which to work, there are no firms where they can be employed. Therefore, the possibility of over excitement by these unemployed people is high. This is why we are saying that when the Cabinet meets tomorrow, let some of the Ministers, like Hon. Mulinge, use their long-acquired wisdom, and tell the President:

"Please, listen to these young men. They may be young, but they have something to say".

**The Assistant Minister, Office of the President** (Mr. Shamalla): On a point of order, Mr. Temporary Deputy Speaker, Sir. It seems hon. Mulusya has run out of ideas and facts: He is diverting into something that has no relevance to the matter before the House.

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, hon. Shamalla is a very good friend of mine. We used to be together in the Opposition until he met people with heavy pockets. But I have no regrets for losing him to the KANU side.

**The Assistant Minister, Office of the President** (Mr. Shamalla): On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of the fact that even the Opposition side appears exhausted may I move that the Mover be now called upon to reply?

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Shamalla, I reject that. Your intention was to challenge what hon. Mulusya was saying, but in the process you seem to have decided that we should close the debate. This debate is so important that it has not been exhausted.

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, the 25 per cent duty on motor vehicles is good because it has made the vehicles affordable. The Minister is going to collect a lot of money from this duty because many more people will afford to buy vehicles. However, the Minister enables us to buy motor vehicles and at the same time gives us extremely bad roads. If you drive good cars along bad roads the rate of wear and tear is extremely high and, therefore, you will end up having to import spare parts in large quantities, thereby depleting our scarce foreign exchange resources. I do not think the Minister has been able to think along those lines. There is no need to import beautiful cars, which are now overflowing the streets of Nairobi and elsewhere, if our roads are not good enough to enable us save on fuel that we consume in jams on the streets of Nairobi, Mombasa, Nakuru and Kisumu. The Minister should look into the high rate at which we are importing spare parts.

*(Hon. Keah left the Chamber)*

I can see that the Assistant Minister has run away.

In 1992, a vehicle, which was supposed to be reconditioned, was imported by the Member of Parliament for Baringo Central, and given to Tala Girls High School in Kangundo. This bus never did more than 30 kilometres before it stalled. From 1992 up to today it still stands where it was parked at the school. Very soon the Member of Parliament for Baringo will go to Kangundo to ask for votes. Those who will see him tomorrow should tell him that we want that bus replaced with a new one. It is only after that, that we can consider giving him votes. That bus is a major factor in deciding how many votes he will get from Kangundo in 1997. Gen. Mulinge knows about that bus. He knows Tala Girls School because he has been there more than six times since he was elected to this House. Whenever he goes there he sees that bus. The same position he found it in, in 1992 is the same position in which he

found it in 1997.

**Mr. Munyasia:** What about Kathiani High School bus?

**Mr. Mulusya:** You know hon. Mulinge is a well respected man and cannot be cheated like the people of Kangundo. He can never be so cheated because he is very well respected.

**Dr. Kituyi:** On a point of information, Mr. Temporary Deputy Speaker, Sir. I wish to inform hon. Mulusya that when this Government purports to make a gift to our people, who are not likely to vote for it next time, it is more interested in the public relations of the day than in the substance of what it is giving. We have a case of Webuye District Hospital, where the sickest patients were ferried to other hospitals, beds and linen were borrowed from other hospitals, including Lugulu Mission Hospital, and beds painted to look new, for the President to open a hospital without a sewerage system. As soon as he left the good things were taken back and the sick people were brought back to Webuye District Hospital.

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, those examples are innumerable, and it is futile for us to keep on repeating them here. Definitely, we will revisit them very soon when election period comes. It is for the President to announce the election date.

**The Minister for Public Works and Housing** (Prof. Ng'eno): On a point of order, Mr. Temporary Deputy Speaker, Sir. The Member of Parliament for Baringo Central happens to be the President of this country. Our Standing Orders say that neither the conduct of the President nor that of a judge will be discussed except on a substantive Motion. That is what Standing Order 73(1) says. Is it in order for these hon. Members to continue discussing the President without a substantive Motion?

**The Temporary Deputy Speaker** (Mr. Wetangula): Indeed, Hon. Nge'no, you are right. Hon. Mulusya, discuss the Finance Bill which we have before us.

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, I will never want to discuss the personal conduct of the President. The hon. Minister should not push me---

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Mulusya, I also think that under our electoral laws, it is for the Electoral Commission to announce the election date.

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, who carries the secret weapon in this country?

**The Temporary Deputy Speaker** (Mr. Mulusya): Order, Mr. Mulusya! If you want to discuss the conduct of the President bring a Motion.

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

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, Dr. Kituyi! I am dealing with hon. Mulusya and you are out of order!

**Mr. Mulusya:** Mr. Temporary Deputy Speaker, Sir, if I am given time I will continue my contribution, and steer clear of that issue. I also do not want to discuss deaths. We will be morning tomorrow and the day after.

The other issue is the increases in prices of petroleum products. Year-in-year-out, whenever the Minister for Finance presents his Budget here, he proposes to raise taxes on petroleum products. It is the same Minister---

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Wetangula) Order, hon. Mulusya! Hon. Members, it is now time for the interruption of our business. The House is, therefore, adjourned until tomorrow, Thursday, 10th July, 1997, at 2.30 p.m.

The House rose 6.30 p.m.