

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 23rd June, 1999

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

## PRAYERS

## ORAL ANSWERS TO QUESTIONS

*Question No.157*

### DISAPPEARANCE OF MR. NYAMU MBUTU

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

- (a) what is the current position regarding the investigations into the mysterious disappearance of Mr. John Nyamu Mbutu, a game ranger at Murera Gate, Meru, National Park in April, 1993;
- (b) why the investigations have taken over five years to complete; and
- (c) whether Mr. John Nyamu Mbutu could now be presumed dead.

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

(a) The present position as regards this particular case is that the Police Inquest File Number 6/93 in respect of the disappearance of John Nyamu Mbutu has been forwarded to the Attorney-General for advice.

(b) The investigations have taken long because the Government chemists who were doing the analysis took some time and finally, they came up and said they had lost the sample and, therefore, we are waiting to get the final advice from the Attorney-General.

(c) The law stipulates that a person who disappears will only be presumed dead after seven years, which have not yet elapsed.

**Mr. Murungi:** Mr. Speaker, Sir, I am very surprised at the level of incompetence of this Government. After the Attorney-General answered this Question in Parliament five years ago, saying that they were investigating this matter, it is surprising the Minister is saying they have forwarded an inquest file to the Attorney-General. As a matter of fact, we have conducted private investigations into this matter and I forwarded, under confidential cover, a note to the Attorney-General, giving the names of three people who killed Mr. John Nyamu Mbutu, cut him into pieces and threw him into a river. I passed this information to the Attorney-General 12 months ago. Could the Minister explain why no action has been taken against these three people whose names I forwarded to the Attorney-General 12 months ago, if the Government is not incompetent?

**Maj. Madoka:** Mr. Speaker, Sir, I am not aware of the information which has been passed on to the Attorney-General. I will check and find out what he did with that information.

**Mr. Wamae:** Mr. Speaker, Sir, if the hon. Minister is not aware of this communication, is it not in order that we give him time to find out and then, he can come back to this House?

**Mr. Speaker:** What is your reaction, Mr. Madoka?

**Maj. Madoka:** Mr. Speaker, Sir, I think that is what I have said.

**Mr. Speaker:** I will defer the Question.

*(Question deferred)*

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

**Mr. Speaker:** I have deferred the Question, Mr. Murungi!

**Mr. Murungi:** Could we have a date?

**Mr. Speaker:** Order! Order! I set the date, myself. So, you find it out in the normal manner. I would also advise that maybe, you get in touch with the Minister and give him as much information as possible, so that on return of the Question, he can be more helpful to the House.

**Mr. Murungi:** On a point of order, Mr. Speaker, Sir. As a matter of fact, I did not direct this Question to the Office of the President. My Question was addressed to the Attorney-General, who I know, has all the facts regarding this case. Could we have an explanation on what was the Office of the President, which knows nothing about this matter, came to pretend to answer this Question? Why was it not answered by the Attorney-General, with whom we have had numerous correspondence on this matter?

**Maj. Madoka:** Mr. Speaker, Sir, I cannot---

**Mr. Speaker:** What is happening now? Are you bringing back the Question that I have deferred?

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

**Mr. Speaker:** What is it?

**Mr. Munyao:** My point of order is addressed to the Chair. With due respect, I seek clarification from the Chair. This is not the first time we have seen this kind of habit where a Minister, totally knowing nothing, would come here and waste the time of 222 Members of Parliament. Even if each one spent ten minutes, that is 220 minutes, about five hours of hon. Members' time. Is the Chair going to allow this habit to continue?

**Mr. Speaker:** Maybe I can correct you first. You are wrong; it will not be 200 by 10 hours. It is 210 honourable minutes.

*(Applause)*

So, anyhow, I will sort that out with the Minister. So, can you get in touch with your colleague? If it was in his docket and he was investigating, let him come and answer it.

Next Question, Mr. Wycliffe Osundwa?

*Question No.151*

WATER SUPPLY TO MAKUNGA RURAL HEALTH CENTRE

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

(a) whether he is aware that the water pump which was meant to supply water to Makunga Rural Health Demonstration Centre in Mumias Division, broke down; and

(b) if the answer to "a" is in the affirmative, what urgent steps he is taking to ensure that there is constant water supply to the centre.

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

(a) I am not aware that the water pump which was meant to supply water to Makunga Rural Health Demonstration Centre broke down. I am, however, aware that the water pump was vandalised.

(b) The facility has been depending on a borehole sunk nearby, to alleviate the water problem. The health centre development committee has been advised to arrange for a fund-raising from the community members to rehabilitate the water system.

**Mr. Osundwa:** Mr. Speaker, Sir, when I asked this Question, more than a year ago, the Assistant Minister said that he was aware that the water pump had broken down. Now he is saying that he is not aware and yet it is the same Question. Which is which?

**Dr. Wako:** Mr. Speaker, Sir, what I am saying is that we know that it is not broken down, but it was vandalised by the people there.

**Mr. Osundwa:** The Assistant Minister has said that the local community---

*(Several Members applauded Prof. Saitoti  
as he entered the Chambers)*

The Assistant Minister has said that the Government is advising the local community to raise funds to rehabilitate this facility. I am surprised as to why the Government is abdicating its responsibility to supply water to its citizens. This is the only facility around there which caters for wananchi. The nearby health facility which is Kakamega General Hospital does not have water or medicine.

**The Assistant Minister for Planning and National Development (Mr. Sumbeiywo):** On a point of order, Mr. Speaker, Sir. It is very difficult to follow the proceedings of the House because there is a lot of consultations going on in very high tones.

**Mr. Speaker:** Order, Members! You hon. Members in that corner over there, are involved in a very illegal meeting. So, watch out! Proceed.

**Mr. Osundwa:** Mr. Speaker, Sir, could the Assistant Minister tell this House why he wants the community to rehabilitate this facility and why he cannot provide water pumps because the nearby health facility, which is Kakamega General Hospital, does not have water, medicine and patients are dying? This is the only facility which has been assisting people in the area. Could he assure this House that he is going to provide the pump because that was the promise he gave me last year?

**Dr. Wako:** Mr. Speaker, Sir, all I am saying is that the health centre had a borehole which is just sunk nearby which is already in use. Since it is the hon. Member's people who have vandalised the equipment, they should organise a Harambee to ensure that they have repaired that machine.

**Mr. Osundwa:** Mr. Speaker, Sir, I cannot accept that answer because Harambees have never solved Kenyans problems. Could the Assistant Minister tell this House when he is going to supply a new pump? Since this is a Government facility, why is he telling wananchi to take over the Government's responsibility?

**Dr. Wako:** Mr. Speaker, Sir, it is true that it is a Government facility, but he should know that in the rural health management team we actually want the people to own the health centre. It is because of this that they themselves should be able to contribute so that they can repair that particular machine which they have actually vandalised.

*Question No.184*

PRIVATE SECTOR PARTICIPATION IN BOT FRAMEWORK

**Mr. Kombe** asked the Minister for Public Works and Housing how far the Ministry has gone in studying the possibility of inviting the private sector to invest in road construction under the Build Operate Transfer (BOT) Framework.

**The Assistant Minister for Public Works and Housing** (Eng. Rotich): Mr. Speaker, Sir, I request that we defer this Question because the answer that we got is not satisfactory.

**Mr. Speaker:** Mr. Kombe, what is your reaction?

**Mr. Kombe:** I realise that this is a very important Question and so, I will give the Assistant Minister more time to come and give this House an appropriate answer.

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

*(Question deferred)*

QUESTIONS BY PRIVATE NOTICE

CONTROL OF FLOODS IN KADEM

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

(a) Is the Minister aware that due to heavy rains, River Kuja has burst its banks and as a result parts of the Central, South and West Kadem have been greatly affected by flooding resulting in destruction of farms, houses, schools and roads thereby forcing closure of schools and displacement of over 13,000 families?

(b) If the answer to "a" is in the affirmative, what urgent steps is the Minister taking to control flooding in the affected areas?

(c) Could the Minister state what assistance the Ministry has given to these people who were affected?

**Mr. Speaker:** Maj. Madoka, is that your Question?

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Speaker, Sir, this Question is supposed to be answered by my colleague. I am sorry I do not have an answer with me. I request that we wait.

**Mr. Speaker:** Mr. Onyango, can I defer your Question?

**Mr. Onyango:** As long as he gives me the correct answer I do not mind.

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

*(Question deferred)*

MISUSE OF FUNDS BY FORMER  
ULANDA SCHOOL HEADMISTRESS

**Mr. Ayacko:** Mr. Speaker, Sir, I beg to ask the Minister for Education and Human Resource Development the following Question by Private Notice.

(a) Is the Minister aware that the immediate former headmistress of Ulanda Secondary School in Rongo Constituency misappropriated about Kshs2 million from the school, but instead of being brought to book, was promoted and posted to the headquarters?

(b) Is the Minister further aware that the school is on the verge of closure due to its inability to meet its financial obligations as a result of this swindle?

(c) What is the Minister doing to bail out the school and bring the culprit to book?

**The Assistant Minister for Education and Human Resource Development** (Mr. Awori): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the headmistress of Ulanda Secondary School misappropriated the Kshs2 million as stated. What I am aware of is that a sum of Kshs377,000 was misappropriated by the bursar.

(b) The information I have is that the school is operating normally and, therefore, it is not on the verge of collapse as a result of difficulties with finance.

(c) As a result of my answer to part "b", part "c" does not arise.

**Mr. Ayacko:** Mr. Speaker, Sir, at times we wonder where Ministers get their answers from. I have various Minutes of the Board meetings of this school. In those Minutes it is indicated that the school is on the verge of closure. I do not know where the Assistant Minister has obtained his answer from. Could the Assistant Minister tell us where he has got the answer from?

**Mr. Awori:** Mr. Speaker, Sir, this is a Question by Private Notice. I spoke to the Deputy Provincial Director of Education on telephone and he gave me the information that I have given to this august House.

**Mr. Sungu:** In his answer, the Assistant Minister said that the money in question was misappropriated by the bursar. What action has been taken against the bursar so far?

**Mr. Awori:** Mr. Speaker, Sir, while making investigations, very mysteriously, the bursar passed away. She died!

**Mr. Ayacko:** I have indicated to the Assistant Minister that I have had Minutes of the Board meetings indicating that Kshs2 million was lost and that the headmistress was responsible. I wish to table those Minutes and ask the Assistant Minister, now that he is aware, what action is he going to take in respect of parts "b" and "c" of the Question?

*(Mr. Ayacko laid the Minutes on the Table)*

**Mr. Speaker:** They are signed Minutes of the Board, are they?

**Mr. Ayacko:** Yes, they are signed.

**Mr. Speaker:** The Assistant Minister will obviously need time to look at the them.

**Mr. Otula:** Now that the Assistant Minister says that bursar misappropriated the funds, could he tell this House when the auditors last went to this school?

**Mr. Awori:** Mr. Speaker, Sir, may I first of all correct myself, if I made that mistake. I should have stated that it is alleged that the money was misappropriated by the bursar. Investigations are still going on. Regrettably, as I have stated, the bursar has since died. As to the last question, as to when officials went to the school, that was in April, 1998.

**Mr. Ayacko:** Now that I have given the Assistant Minister the Minutes that indicate who was responsible for this loss, I am seeking the guidance of the Chair: Would it not be proper for the Chair to assist us in deferring the Question so that an appropriate answer is given to this House?

**Mr. Awori:** Mr. Speaker, Sir, certainly, I would like to give full and correct answers to this august House. Any additional information that will help me give the correct information is welcome.

**Mr. Speaker:** How much time do you want? It is now in your hands. Do you require two to three weeks or a month?

**Mr. Awori:** Mr. Speaker, Sir, I would probably require two weeks.

**Mr. Speaker:** I will give you three weeks.

**Mr. Awori:** Thank you, Mr. Speaker, Sir.

**Mr. Speaker:** Question deferred!

*(Question deferred)*

INTERDICTION OF MR. KABURU MERU

**Mr. Kiunjuri:** Mr. Speaker, Sir, I beg to ask the Minister for Education and Human Resource Development the following Question by Private Notice.

(a) Could the Minister explain to the House the circumstances which led to the interdiction of Mr. Kaburu Meru who was serving as a lecturer at Kenyatta University, Sociology Department, with effect from 29th June, 1998?

(b) Why was the officer not paid his half salary as the law requires during his interdiction period?

(c) Why has it taken so long to summon the officer before the University Disciplinary Committee for the hearing of his case?

**The Assistant Minister for Education and Human Resource Development (Mr. Awori):** Mr. Speaker, Sir, I beg to reply.

(a) Mr. Kaburu Meru was interdicted because, while still on full-time employment with Kenyatta University, he sought and secured another full-time employment with St. Paul's Theological College, Limuru.

(b) Mr. Kaburu Meru contravened the terms and conditions of employment with Kenyatta University. So, fundamentally, his entire salary had to be suspended.

(c) The University lawyers needed considerable time to investigate Mr. Kaburu Meru's case sufficiently to co-ordinate with St. Paul's Theological College. On 10th June, 1999, they requested for the last information from that college so that the case may be finalised.

**Mr. Kiunjuri:** Mr. Speaker, Sir, the Assistant Minister is completely misleading this House. The question of lawyers does not arise in the University when they are hiring or firing their staff. The lecturer was fired and it means, therefore, that, they could have given him all his benefits. It is only after Mr. Meru has gone to court that they can bring in the issue of lawyers. That clearly shows that the Assistant Minister is misleading this House. The question of Mr. Meru being engaged in another contract with St. Paul's Theological College does not arise. Is the Assistant Minister aware that St. Paul's Theological College offers theological courses and Mr. Kaburu Meru is a sociologist, therefore, he is not even competent to work in that institution?

**Mr. Awori:** Mr. Speaker, Sir, surely, even those who are aspiring to religious studies would like also to study sociology. Under the circumstances, I do not see any reason why Mr. Kaburu Meru could not be employed there to teach sociology. As it so happens, priests do study sociology.

**Mr. Gatabaki:** Thank you, Mr. Speaker, Sir. Could the Assistant Minister explain to this House the reason why there is a massive brain-drain in our public universities? Could he explain the reason why, confirm or deny that the only reason is privatisation of our public universities up to a situation where we are now offering sub-standard education and our degrees are unacceptable, apart from those of KANU individuals?

**Mr. Awori:** Mr. Speaker, Sir, hon. Gatabaki who is a product of our universities knows that we have continued to offer excellent education at those universities.

**Mr. Kiunjuri:** Mr. Speaker, Sir, it was Mr. Kaburu Meru who wrote an application to be employed by Kenyatta University and he is the one who could have written an application to St. Paul's Theological College which he did not do. I have with me here affidavits sworn by Mr. Kaburu Meru and a letter written to the University. These are 21 pieces of correspondence from the University. I have been writing to the University and the University is adamant because it is being controlled by people who follow the KANU style of doing things, by bulldozing everything. Could the Assistant Minister deny or confirm that Mr. Kaburu Meru never swore any affidavit, and that, there is no correspondence between him and the University denying the fact that he was engaged in a permanent contract with the Theological College?

**Mr. Awori:** Mr. Speaker, Sir, if Mr. Kaburu Meru did swear any affidavits, he has not made them available either to Kenyatta University or to our Ministry. Like the previous case, if the hon. Questioner can make available those documents to us, and if it is agreeable with the Chair, I will investigate and bring back a full explanation to this House.

**Mr. Murathe:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead this House when he knows very well that, the real reason why Mr. Kaburu Meru was sacked was because he was the Chairman of Kenyatta University Staff Union which was proscribed by the Government? This is the reason why the Assistant Minister is not answering part "c" of the Question. Why has it taken so long to summon the officer before the University Disciplinary Committee for the hearing of his case?

**Mr. Awori:** Mr. Speaker, Sir, I am not aware that the reason why this gentleman was interdicted was because he was the Chairman of the University Staff Union. The information I have is that, he engaged in full-time employment

elsewhere while he was still a full-time employee of Kenyatta University.

**Mr. Kiunjuri:** On a point of order, Mr. Speaker, Sir. Before I lay these documents on the Table of the House for the Assistant Minister to read, this House should know that the man I am talking about was the Chairman of the University Academic Staff Union (UASU) which was at complete loggerheads with this Government and that is why this Government sacked Mr. Kaburu Meru. These documents show clearly that the affidavit was also received by the University. I now table these documents so that the Assistant Minister can come back to this House with a competent answer to the Question.

*(Mr. Kiunjuri laid documents on the Table)*

**Mr. Awori:** Mr. Speaker, Sir, it seems to give a great deal of pleasure to certain Members to cast aspersions on this Government. Once we have gone through the documents, I will bring a competent answer. I have answered the Question with the information I had.

**Mr. Speaker:** By the way, I have not ordered you to bring another answer.

Next Question, Mr. George Anyona!

#### OUTBREAK OF HIGHLAND MALARIA

**Mr. Anyona:** Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Could the Minister make a comprehensive statement on the outbreak of highland malaria in Kisii, Gucha, Nyamira, Bomet, Kericho, Transmara, Nandi, Uasin-Gishu, Mt. Elgon, Garissa, Mandera and Wajir districts?

(b) Could he further inform the House the total number of deaths, in-patients, out-patients and bed capacity of each district hospital and health centres in the affected areas?

(c) Could he further inform the House about the distribution of the fourteen (14) Mitsubishi Ambulances donated by the World Health Organisation (WHO) to combat the current malaria outbreak in the country and explain why the Ambulance, Registration GK A837B, allocated to Kisii District Hospital was diverted to the Prisons Department?

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

(a) Since early May, 1999, there has been an upsurge of malaria cases reported in about thirteen districts, but the following nine districts have been more severely affected: Kisii, Mt. Elgon, Gucha, Nyamira, Transmara, Buret, Trans-Nzoia and West Pokot. This increase is usually observed in Kenya immediately after the long rains. Highland malaria is caused by a malaria parasite which is similar to the parasite in other parts of Kenya. It only occurs in the highlands hence the term "highland malaria".

The communities in these areas have a low immunity to malaria parasites. Although the same scenario usually occurs in Garissa, Mandera, Wajir, Nandi and Turkana, no epidemic has been reported this time around.

(b) The data received so far covers up to June 1999. This is hospital data only; more data is still being compiled. I will try to give more information as follows: Kisii District; according to reports which were received on 21st June, 1999, the district has recorded 18,857 out-patients, 8,076 in-patients and 221 deaths. Surveillance is still going on and the wards are full.

Mr. Speaker, Sir, the situation in Nyamira

District indicates that, 4,424 patients have been seen. The reports are for Nyamira District hospital only.

In Gucha District, latest reports show that a total of 32,367 out-patients, 1,593 in-patients and 24 deaths have been recorded.

In Kericho District, data compiled indicates that there were 21,727 out-patients, 446 in-patients and 27 deaths. Some of these severe cases were reported to the health facility, later after they have been treated with herbs, most of whom die. In Trans-Mara, cases reported at the district hospital indicates 38,833 out-patients, 1,574 in-patients and 57 deaths. Reports from the peripheral health facilities have not been received.

(c) Contrary to the assertion, the vehicles that were donated by WHO were not Mitsubishi. They were meant for disease surveillance for the KEPI Programme and not specifically for malaria control. The vehicles were 13 in total, and were distributed as follows: One Toyota Land Cruiser for PMO, Rift-Valley, and one Toyota Land Cruiser for KEPI Central Management Unit.

Regarding the vehicle registration No.GK A837 B, the same was purchased through the World Bank Credit 2110, for the population project, and was meant for Nyahururu District Hospital. The vehicle No.GK A543 B, that is currently at the prison was purchased through a World Bank Credit 2310, Health Rehabilitation Project, and was meant for the Nairobi Provincial Medical Office which in terms of service, covers the prison. These vehicles were amongst 11 other ambulances that were purchased through the MOH World Bank agreement, and were distributed to each

province. The Ministry recognizes the fact that the Kisii District Hospital requires an ambulance urgently. The Ministry would like to undertake that the first priority will be given to the district, immediately an ambulance is identified.

**Mr. Anyona:** Mr. Speaker, Sir, in the answer to part "b" of the Question, the Assistant Minister has deliberately---

*(Loud Consultations)*

**Mr. Speaker:** Order! Order! I do not think the hon. Members consulting loudly have heard the number of Kenyans who have suffered from malaria; those who have been admitted and those who have died. It is a very serious issue. So, can we listen? Proceed, Mr. Anyona!

**Mr. Anyona:** Thank you, Mr. Speaker, Sir. In part "b" of the Question, the Assistant Minister has not given us figures for health centres. I do not know whether that is because he is not able to get the information, but therefore, it means, we do not even have the full picture of what it is like out there. I think, in all fairness, this is a serious matter and the Assistant Minister may well have to go back and give us the complete picture as reflected in the health centres across those areas. But even in the case of Nyamira District Hospital, he did not give us the number of deaths. I do not know whether that is the case.

Mr. Speaker, Sir, the question I want to ask him is this: The vehicles were donated to be able to deal with malaria in those 13 districts. Now, how come that those were then given to the province and what do you mean by provinces? Were they all given to provincial headquarters? Where did they go? Where are they? For instance, in the case of Nyanza Province, are they in Kisumu? And where is this particular vehicle that was meant for Kisii?

**Mr. Speaker:** Mr. Anyona, once you have made a point and you keep on repeating yourself, you are taking too much time. So, will the Assistant Minister answer; where are they?

**Dr. Wako:** Mr. Speaker, Sir, as I had said before, just for clarification, the vehicles were purchased by WHO, not specifically for malaria control, but it was a KEPI Programme as a whole. They were given to the provincial hospitals. Eleven Nissan Pick-ups double cabin are in all the provinces. One Toyota Land Cruiser for PMO, Rift-Valley and one Toyota Land Cruiser for---

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. We did get that answer clearly. All I was trying to find out, as an example, the ones that went to Nyanza Province where Kisii falls, where are they?

**Mr. Speaker:** Very well, Mr. Anyona! I think, Dr. Wako, we need to make progress. Can we make it simple? Even in provinces there must be a station. If, for example, province x, is Rift-Valley and all of them are in Nakuru, say whether they are in Nakuru.

**Dr. Wako:** Mr. Speaker, Sir, the one for Nyanza Province is in Kisumu. The one for Coast Province is in Mombasa. The one for PMO, Western Province is in Kakamega. The one for Central Province is in Nyanza.

Sorry, Mr. Speaker, Sir. The one for Central Province is in Nyeri. The ones for Rift-Valley are both in Nakuru. The one for Nairobi is in Nairobi, for Eastern Province it is in Embu and the one for North-Eastern is in Garissa.

**Mr. Wambua:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to tell us that the vehicle for Central Province is in Kisumu? Could he clarify that?

**Mr. Speaker:** Order! Order! Mr. Wambua, supposing that be a fact?

**Mr. Obwocha:** Mr. Speaker, Sir, this is a very serious matter, and we would like the Assistant Minister to also be more serious on this issue. Now, he has enumerated the bed capacity of other districts. Could he tell this House the bed capacity of Nyamira District Hospital and the number of deaths that have arisen from this malaria outbreak?

**Dr. Wako:** Mr. Speaker, Sir, for Nyamira we have 4,424 patients who have been treated. They have not been hospitalised, and there were no deaths in Nyamira.

**Mr. Angwenyi:** Mr. Speaker, Sir, as hon. Obwocha has said, this is a serious matter; a matter that would have required the Minister concerned to resign.

Mr. Speaker, Sir, Highland Malaria out-break, is an annual event. Year-in-year-out, at about this time, we do have this Highland Malaria. Could the Assistant Minister tell us why the Ministry does not prepare in advance to deal with this out-break?

**Dr. Wako:** Mr. Speaker, Sir, I would like to correct the impression created by the hon. Member. First and foremost, the Minister has designated this responsibility to us. As Assistant Ministers in that Ministry, we are capable of answering the Question. Secondly, the Ministry is prepared. There has never been any one time when the Ministry has left people to die of malaria. We have put all the procedures in place to ensure that we curb this out-break. But unfortunately, most of the people in Nyamira actually go to quacks and come to the hospital when their health situation is very bad.

**Mr. Anyona:** Mr. Speaker, Sir, I am very puzzled to hear that there were no deaths in Nyamira District Hospital. What does he mean? I have figures here for Nyamira District Hospital. In April and May, there were 21 and 31 deaths, respectively. I do not have the figures for June. I have been trying to get them, but I could not get them; yet, he says there were no deaths there. Just now, I have been talking to Nyamira District Hospital and they have told me that the malaria is on the upsurge and they have no drugs. Can the Assistant Minister immediately after this, despatch drugs to Nyamira and also make sure that there is one ambulance, at least, for the three districts to assist with this problem?

**Dr. Wako:** Mr. Speaker, Sir, we have been despatching drugs to all those hospitals in Kisii, Nyamira and Gucha. We will make sure that we despatch more drugs there, if they are out of stock. I have already promised that we are giving a clinic to the area.

**Mr. Maitha:** On a point of order, Mr. Speaker, Sir. Could the Assistant Minister tell us what type of drugs---

**Mr. Speaker:** That is not a point of order!

**Mr. Maitha:** My point of order is on the drugs he has been sending to those areas---

**Mr. Speaker:** Order! Order, Mr. Maitha! We have to be serious from now on. If you stand on a point of order, let that be it. If you want a supplementary question, be patient and I will see you. If you persist, you will lose your chance.

**Mr. Nderitu:** Thank you, Mr. Speaker, Sir. Could the Assistant Minister elaborate carefully because we are also interested to know what the Ministry is doing for the health of our people? Could he specify the volume and quantity of drugs sent to all those areas affected by the highland malaria?

**Dr. Wako:** Mr. Speaker, Sir as we are aware, the policy of the Ministry is to deal and cope with this epidemic. The Ministry has developed a document on malaria epidemic preparedness and sufficient anti-malaria drugs were despatched to the affected districts by 26th April. Health workers are being introduced to the new methods for diagnosis, treatment and prevention.

**Dr. Kituyi:** On a point of order, Mr. Speaker, Sir. You remember that there used to be an Assistant Minister in this House who, when asked a question, he did not understand. He just read what was in front of him. Are you satisfied that the hon. Assistant Minister is reading something relevant to the Question of quantity or is he just reading what he has in front of him because he does not understand the question?

**Mr. Speaker:** Order! I am not satisfied that I recollect an Assistant Minister who did not understand what he was doing. Would you, Dr. Wako, now answer your question?

**Dr. Wako:** Mr. Speaker, Sir, the hon. Member wanted to know what the policy of the Ministry is, in relation to malaria control and what drugs have been despatched. So, we had already despatched drugs to all the districts affected by malaria on 26th April. I do not have the figures with me.

**Dr. Ochuodho:** Thank you, Mr. Speaker, Sir. It seems from time immemorial that whenever there is a crisis in Nyanza, the Government drags its feet in taking action. Even the Minister has not gone to see the calamity in Kisii. Can the Assistant Minister tell us why the Government has not

**[Dr. Ochuodho]**

declared the problem in Kisii a national disaster? Is it because they are not toeing the line?

**Dr. Wako:** Mr. Speaker, Sir, our team, headed by the Director of Medical Services (DMS) has been in the area. We have put a surveillance team there and we get the daily happenings in that particular district and also the surrounding districts.

**Mr. Maitha:** Mr. Speaker, Sir, could the Assistant Minister tell us the type of drugs which were despatched for malaria to the affected districts? We have had a problem that malaria because is resistant to very many drugs.

**Dr. Wako:** Mr. Speaker, Sir, we have despatched Fansidar because it is resistant to the ordinary malariaquine which we normally supply.

**Mr. Anyona:** Mr. Speaker, Sir, I have just told the Minister that before I came here I was talking to Nyamira District Hospital. They have told me two things, one, malaria is still on the upsurge again. Secondly, they have no drugs. I made an "SOS" request to the Ministry this afternoon to send drugs. These are his own people telling me when I spoke to them. They were honest enough to tell me the truth. Can we have that commitment?

**Dr. Wako:** Mr. Speaker, Sir, if it is true that there are no drugs, we are despatching them within the course of the week.

**Mr. Speaker:** Very well. Next Order.

#### PERSONAL STATEMENT



## THE GOLDENBERG SCANDAL

**The Minister for Agriculture** (Mr. Mudavadi): Thank you, Mr. Speaker, Sir. I would like to make a personal statement arising from the deliberations in this House in the morning. Arising from the statement made by hon. Maore, MP for Ntonyiri, on 23rd June, 1999 regarding the Goldenberg Scandal, I wish to state as follows:

First, I was appointed the Minister for Finance on 13th January, 1993 by His Excellency the President and I held the portfolio until January, 1998. Secondly, I took over the Ministry when the nation was experiencing the most turbulent period in the financial and banking circles. Thirdly, more specifically, I took over when the export compensation on gold, jewellery and other precious metals and stones was in existence.

Fourth, it became apparent that, that scheme was riddled with immense controversy and suspicion. It was an issue of both national and international concern. Fifth, arising from this, on 15th April, 1993 vide Legal Notice No.88 under the Local Manufacturers and Export Compensation Act, Cap.482---

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

*(Mr Mwenje remained standing up in his place)*

**Hon. Members:** Sit down!

**Mr. Speaker:** Order! Order! Mr. Mwenje and the like-minded, may I tell this House today that I am getting increasingly upset. I want every Member to understand this clearly because we are retracting and the Members of this House are making the Speaker "eat his own words" delivered by the Chair, during the State Opening of Parliament when I said amongst other things that I was proud to preside over the Second Session of this Eighth Parliament. Unlike the Seventh Parliament, the Eighth Parliament dealt in the Second Session, on issues and not on personalities and trivialities.

I am afraid that three or five months after stating that, I may not still be able to say that with a straight face. Secondly, Members of this House who have no respect for the rules of the House must be warned henceforth that the Chair will, as the Chair swore, enforce the rules of the House strictly and without fear or favour.

Thirdly, those Members of this House who can never take one minute of their busy schedule to study and understand the rules of this House must, therefore, be on guard that, if they persistently breach the rules of the House, they will be dealt with. Among the rules, Mr. Mwenje, if you have never learnt, is that when a Member is on a point of order, he shall never be interrupted. You must understand that by now!

May I also say this, to this House: My Office is inundated with complaints and correspondence from general Kenyans who have been accused on the Floor of this House or through Committees thereof and have never been given a chance to defend themselves. I think, it is the duty of this House to maintain its dignity and honour in the face of the Kenyan people. Otherwise, if we persist in trivialising and breaking every rule in the statutes, abusing the privileges bestowed upon us by the Kenyan people; we may soon find ourselves irrelevant to the Kenyan situation. That would be a very, very sad day. I hope and wish that it shall never happen in my Speakership. I am not just going to sit down, hope and wish; I am going to ensure that it does not happen.

Thank you.

*(Applause)*

**The Minister for Agriculture** (Mr. Mudavadi): Mr. Speaker, Sir, arising from that, vide the Legal Notice No.88 under the Local Manufacturers and Export Compensation Act Cap 482, I terminated all export compensation on gold, jewellery, precious metals and stones. The gazette notice is attached.

In addition to this, in the Finance Bill of June 1993, amendments were brought to Parliament to ensure that the export compensation scheme was in effect, completely annulled. These amendments were unanimously passed by this House and the Export Compensation Act Cap 482, was altered accordingly.

Sixth, on the issue of the Kshs5.8 billion, I wish to categorically state that I never authorised, nor approved the said payments. It should also be recalled that my gazette notice of 15th April, 1993 had terminated compensation on gold and related items. These payments were made after 15th April, 1993; that is on the 19th April, on 28th June and on 6th July. I would also like to go on record that upon the discovery of these irregularities, I took the following actions: First, on 21st October, 1994, I wrote a letter to the Controller and Auditor-General, Mr. D.G. Njoroge requesting him to accelerate the 1993/94 Treasury audits, as we had detected an anomaly. This letter was copied to Mr. Noah arap Too, the then Director of Criminal Investigations Department. The copy of the letter is attached. Equally, I also wrote directly to Mr. Noah arap Too on 21st October, 1994 on the same and requested him to investigate the matter urgently. This letter was copied to the Attorney-General and a copy of the letter is also attached.

I also went public on this issue and this is indicated in a copy of my press statement dated 25th October, 1994. It is important to note that in my statement, I also informed the public that the Government had embarked on a campaign to recover the monies owed to both the Central Bank of Kenya and the Treasury. These issues are today the subject of on-going court cases.

Seventh, as regards the Kshs13.5 billion owed to the Central Bank of Kenya, it would be recalled that this arose after the Central Bank of Kenya entered into a foreign exchange contract with the Exchange Bank Group which is now in liquidation, for the delivery of US\$210 million, at the then prevailing exchange rate. The equivalent in Kenya Shillings was released but the dollars were never delivered. This today, is also the subject of litigation. I once again state that I neither authorised nor approved this transaction. On this issue, the following measures were taken: First, the Government called the Central Bank to appoint Price Waterhouse to undertake an urgent special audit of this transaction on 13th May, 1993 in accordance with the Banking Act. More specifically, the following banks were to undergo special investigations: Exchange Bank which is now in liquidation; Pan African Bank which is now in liquidation; Postbank Credit which is in liquidation and Delphis Bank.

Mr. Speaker, Sir, as a result of this report, the Government effected changes in the leadership of the Central Bank of Kenya. Secondly, it instituted measures to recover the monies through seizure of its assets and follow-up legal action. These actions are also today, a matter in court.

Mr. Speaker, Sir, lastly, I wish to draw the attention of this House to the HANSARD report of 11th April, 1995 on the Parliamentary debate on the PAC Report of 1993/94. A copy of the HANSARD report is also attached. The PAC report had recommended that more payments amounting to Kshs2.1 billion be made to Goldenberg and I as the Minister for Finance, moved a Motion objecting to the said recommendations and related paragraphs and clauses. This House unanimously approved the amendments.

Mr. Speaker, Sir, from the forgoing, I wish to categorically state that I neither approved nor authorised any of the said transactions which are today, the subject of a protracted legal action. That is the Kshs5.8 billion figure and the Kshs13.5 billion CBK figure. In fact, the Government, through my gazette notice of 15th April, 1993 put an end to the export compensation scheme.

*(Applause)*

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

**Mr. Speaker:** No debate should arise out of that. I am afraid under Standing Order No.69, I will not allow any debate to arise out of it. Next order!

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

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

**Mr. Speaker:** Order! "Order" means sit down and any Member who, as part of my restructuring from now henceforth, does not sit down when ordered to do so, will forfeit his right to be seen by Mr. Speaker.

*(Laughter)*

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

**Mr. Speaker:** On my ruling?

**Mr. Mwenje:** Yes.

**Mr. Speaker:** You are out of order!

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

**Mr. Speaker:** Mr. Nderitu, you have only two minutes.

**Mr. Mwenje:** On a point of order, Mr. Speaker, Sir. Yours is just a threat!

**Mr. Speaker:** Order! By the way, Mr. Mwenje, it is not a threat. I intend to implement it and you should take note of it. Mr. Nderitu!

## POINTS OF ORDER

### ISSUANCE OF TITLES TO MWEA RICE FARMERS

**Mr. Nderitu:** Mr. Speaker, Sir, I rise to seek a Ministerial Statement on when and how soon, the farmers of

Mwea Rice Irrigation Scheme will receive their titles and not leases.

Thank you, Mr. Speaker.

**Mr. Speaker:** Very well. Anybody in the Ministry wanting to respond? Yes, Mr. Maitha.

#### MURDER OF A KILIFI SENIOR CHIEF

**Mr. Maitha:** Mr. Speaker, Sir, I rise to seek a Ministerial Statement on the whereabouts of a senior chief who was killed in Bamba in Kilifi District. Up to this moment, the Government has not arrested those who killed him and we want a Ministerial Statement on whether the chief's family is going to be compensated because he was killed while on duty.

#### VIOLENCE IN SCHOOLS

**Dr. Ochuodho:** On a point of order, Mr. Speaker, Sir. Two weeks ago, I sought a Ministerial Statement on the violence and murders in schools. Two weeks later, these murders still continue. Yesterday, 13 students were burnt in Mbeere but the Ministry is yet to bring a Ministerial Statement on this issue. I want to seek and request the Chair, to prevail upon the Ministry to make that statement tomorrow.

**Mr. Speaker:** I do not know whether I should "prevail" but I think, taking into account the gravity of the matter, it is really something that is worrying Kenyans; that is, these children burning themselves and schools. I think my very good friend there, hon. Awori, it is not a very terrible request from the hon. Member there but I think the whole House and the nation at large, will be very anxious to hear what you say. If you just have anything to say tomorrow, get in touch with me in good time, so that I can allocate you time so that you will not be in a hurry because I am sure the House would like to hear it. Very well. Next Order.

#### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

#### MOTION

THAT, MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance on 10.6.99)*

*(Resumption of Debate interrupted  
on 23.6.99, Morning Sitting)*

*(Seventh and final day of Budget Debate)*

**Mr. Speaker:** Mr. Kihoro, you were on the Floor when we interrupted our Business in the Morning. You have seven minutes left. Could you proceed!

**Mr. Kihoro:** Mr. Speaker, Sir, in my contribution this morning, I addressed the question of the overall Government expenditure as proposed in the Budget. I pointed out that Kshs244 billion is going to be spent in the present Budget. Before that, I had also produced a spent tear gas canister and a rubber bullet, and these are matters I will come to later on. I hope I will have time to go into that matter.

Most important is the question of the national debt of this country. Presently, we have a domestic debt of about Kshs160 billion and an external debt Kshs330 billion. The Government has been spending a lot of money in servicing the two debts. Incredibly, most of the money that has been spent for servicing the public debts has gone to the domestic portion of the public debt. In 1998/99 Financial Year, the Government spent Kshs27 billion on the domestic debt, even though the domestic debt amount is just about a third of the external debt. In 1997, the Government spend Kshs36 billion on servicing the domestic debt, even though it was also just about a third of the external debt. Again, in 1996, the Government spent Kshs26 billion on servicing the domestic debt, even though it was again just about a third of the overall public debt.

One of the recommendations that were put forward at the Mombasa Economic Forum, which was held in

April, 1997 was that the Government should try as much as possible to minimise the extent of the domestic debt by externalising it. After that forum, that suggestion was not implemented. Also, the same suggestion was floated at the two Mbagathi Economic Fora held at Mbagathi shortly after the Mombasa one, which I did not attend. Again, the Government did not implement the suggestion. I did not see any reason of attending the Mbagathi Economic Fora, because I thought that nothing good would, after all, come out of them.

*(Loud consultations)*

Mr. Speaker, Sir, the hon. Members in this House cannot hear me.

**Mr. Speaker:** Order! Order! Order, hon. Members! Mr. Kihoro, hon. Members are not listening to you because you have a very low opinion of them. So, do not refer to them the way you are doing; they are hon. Members. If you want hon. Members of this House to respect you, you must respect them. Proceed!

**Mr. Kihoro:** Thank you, Mr. Speaker, Sir. I do have a lot of respect for the Government. I must say that for the last 30 years or so, I have spent my life fighting for good governance in this country, and I still have a lot of respect for the Government. I do not believe in disorder. I believe that, eventually, we will have a good Government in this country, and that is why I continue to fight for good governance. Also, that is why I will still talk about the rubber bullet and the tear gas canister that I laid on the Table this morning.

**Mr. Speaker:** Order! Order! Now that you have reminded me, I am sure that when you first came to this House, you were given a document called the "Speaker's Guide", a copy of the Standing Orders of this House, a copy of the Constitution of Kenya, and a copy of the Powers and Privileges Act. You were also told that among the prohibited items in this House are any offensive weapons. Do not do that again. Proceed!

**Mr. Kihoro:** Thank you, Mr. Speaker, Sir. Before I come back to that matter, I would like to talk about the Government's privatisation programme. I believe that the programme has not been put on an even keel, so that it may benefit our people. In the present Budget, there is not a single penny that is coming from the sale of public assets.

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

**Mr. Speaker:** Order, Dr. Ochuodho! We have taken too much of the hon. Member's time. So, I am not just about to let you have any more of it. Proceed, Mr. Kihoro!

**Mr. Kihoro:** Thank you, Mr. Speaker. Before I was interrupted, I was saying that not a single penny has been put into the Budget of this country by the Government, arising from the sale of public assets. That is incredible, because some of the very best of the national assets in parastatals have already been sold. I wonder why the best public assets in the public sector have been sold, but no money has actually gone into the public coffers to assist the taxpayer in this country, to alleviate the tax burden.

Mr. Speaker, Sir, I also find that there is a kind of belief among hon. Members on the Opposition side that privatisation must involve foreigners in this country.

Mr. Speaker, Sir, I am one of the nationalists who believe that the first opportunities to purchase all the public assets in the public sector and in the parastatals must be given to Kenyans. They should be allowed to purchase all that they would want to purchase. You will find that during the privatisation of the Kenya Airways, the bulk of its shares went to foreigners. Also, many shares of the National Bank of Kenya (NBK) have been bought by foreigners, even though Kenyans do not own any property in Mumbai. Kenyans do not own any property in New York. How come that when we privatise parastatals, we give priority to foreigners?

Mr. Speaker, Sir, I would like to propose that when we privatise some of the remaining parastatals, we do give opportunity to Kenyans. For example, Kenyans should be given a chance to buy the Kenya Meat Commission (KMC) factory at Athi River, because that is an investment where people, especially the pastoralists, can come together, raise the necessary assets, purchase and run it as a cooperative society if they realise that they cannot manage it as individuals. Let us shun the belief that when we privatise our public institutions, foreigners should be given priority. Eventually, foreigners repatriate all the profit they make in this country.

Another dangerous trend that has emerged is the concentration of the wealth of this country in the hands of a few people. This fact has clearly been indicated through the land reform programme that has come from the private sector. We have found that a lot of land which has been disposed of by the Government, has gotten into the hands of the few the well-to-do people. We want some of those people who fought for Independence to be also remembered. Those people are all over the country. Some of them are in Mombasa, others in central Kenya, while others are in the Nyanza Province. How come the Government does not remember those people?

Mr. Speaker, Sir, I would now like to talk about excessive use of force by the police in this country. On Budget Day, I could not attend the proceedings of this House because I was locked up in the Holy Family Basilica as the police hurled tear gas canisters at wananchi. There was the famous battle of Basilica that occurred on that day. The exhibits I brought to this House, I cannot name them because you have forbidden me doing that. Those are some of the

items meant to assist me illustrate my argument. I got those items from the battle field. So, it is important that reduction be made from the amount for the purchase of tear gas and rubber bullets from South Africa.

**Mr. Speaker:** Your time is up, Mr. Kihoro.

Mrs. Kittony, proceed!

**Mrs. Kittony:** Thank you, Mr. Speaker, Sir, for allowing me to also contribute to the Motion on the Budget Speech. Allow me to thank you for the just concluded visit. I was one of the hon. Members who went to Canada for a study tour, to see how that country's Parliament operates.

Mr. Speaker, Sir, I believe the report for that tour will be forthcoming soon; we learnt a lot. I hope that one of these days, our Parliament will be furnished with modern facilities as the ones we are using today are old fashioned. I would also like to say that Parliament is a House of elders and people of integrity. Considering our situation, I fear that we might get into serious problems if we do not examine ourselves positively. This is a honourable House.

As I speak, the House is full of young people, and I do not know what examples we are setting as hon. Members. I am very much concerned about the behaviour I have been observing in this House. I hope that it is time we respected ourselves and the position bestowed upon us by the wananchi.

Mr. Speaker, Sir, coming to the Budget Speech, I would like to speak on eradication of poverty. The Government has taken a great step to institutionalise the fight against poverty, and this is a most welcome move. The intentions to start this anti-poverty plan will go a long way, but I think there should be much more research---

**Mr. Speaker:** Yes, Mrs. Kittony! Can you move nearer to the microphone? We want to hear you!

**Mrs. Kittony:** Mr. Speaker, Sir, I have a problem. You sent me to Canada and the facilities there are so good that one does not strain oneself. So, I think the microphone should be lowered so that---

**Mr. Speaker:** I am sorry, I sent you there; next time I will be very careful!

*(Laughter)*

**Mrs. Kittony:** Mr. Speaker, Sir, you did not hear me when I thanked you very much for including me in that delegation. I have talked of the modern facilities that are there in their Parliament and the integrity of Members of Parliament, while you were busy talking to somebody else. Anyhow, I will try my best, but I would make a recommendation that the speakers should be lowered down, so that we do not strain ourselves. I am at least lucky, I am a little bit taller than most of my ladies Members of Parliament.

I was contributing on the eradication of poverty and I said that a lot has to be done to see that the right people are involved. I am talking of the women of this country. They are the right people to help in poverty eradication. There is an urgent need for co-operation from all Kenyans, to realise that the issue is crucial and it should be speeded-up, and the right target group should be utilised.

Mr. Speaker, Sir, recently, I was in South Nyanza and I would like to say that the water hyacinth that people have been talking about is an asset to this country because I saw what women groups produce out of water hyacinth. It will even help afforestation because it produces a wonderful paper and also wonderful handcraft. So, it should be given more time for research to be conducted so that it can be used as a form of income generating commodity.

Mr. Speaker, Sir, touching on the weather conditions in this country, especially in areas where a lot of food is produced, for example, northern part of Rift Valley, it has not received enough rain. So, if there are other areas which are not utilised what God has given freely, then we are in a big problem for a long time.

Another area I would like to touch on is price increase on kerosene and diesel. This causes a lot of problem to the rural people, especially the women who use paraffin as their form of energy. Since 60 per cent of the Kenyan population is made up of women and they are the people who use kerosene, I would like to recommend that the Minister for Finance should address this area very seriously and speed up rural electrification, so that we can also get the facilities in our homes.

Another area I would also like to touch on is the introduction of Presumptive Tax. This is another big blow to farmers in general and women in particular. How can the rural women who have not been sensitised know how to manage this? I would urge the Minister for Finance to still seriously address this area. On increased duty on consumer imported food, it is saddening to know that the Budget has provided relief in these duties and as I am talking now, there is a lot of milk in the country; yet, our own milk is not being utilised. This move will discourage the consumption of our foods. Therefore, it is another area that the Minister should address himself to.

The increase in the funding of health facilities and eradication programmes of diseases such as sexually transmitted diseases and HIV, is most welcome. It has been indicated that thousands of Kenyans will die of AIDS this year. I was surprised to see hon. Members opposing the closure of night clubs and so on. We would like our young people to be healthy, counselled and avoid using such facilities, so that they can have better future and this will reduce promiscuity.

On reduction of tax, there is a widening gap of the tax bracket and personal relief which raises the minimum taxable income to Kshs8,000 and this will greatly benefit Kenyans in the low-income category.

Mr. Speaker, Sir, I would like to say something on the road network. A lot can be done, but when we cannot reach the rural areas where the majority of Kenyans are, then life is impossible. The roads are impassable and this is an area of great concern to majority of us. I am sure, most of us are even fearing to go to the rural areas because of the roads. We need an urgent scrutiny and priority on this area to be addressed to because whatever we produce, without good roads, it becomes a problem.

With those few remarks, I beg to support.

**Dr. Omamo:** Thank you, Mr. Speaker, Sir. Our memories are still fresh and we remember that very cruel and inhuman leader by any standard; that was the ex-ruler of Uganda, Idi Amin. He ruled that country with an iron hand, but what is interesting about Idi Amin is that, although he was very harsh as a ruler, the Ugandans were able to live. Why? Because they had food; *matoke* was there! Amin was cruel, but Ugandans had food.

Here, we would like to alleviate poverty and one way of alleviating poverty is by providing food. I would like to suggest to the Ministry of Finance to liaise closely with the Ministry of Agriculture, to have a programme that should make food available to Kenyans in plenty.

Mr. Speaker, Sir, today, if you went to the bazaars, and got good bananas there, you would be told that they come from Uganda. If you go to Kisumu, the bananas found there also come from Uganda; yet, we have got bananas from Kisii. All we need to do is to introduce the Ugandan banana variety into the Kenyan banana, so that they become sweet, but big. Our bananas are sweet, but small.

*(Laughter)*

The size of bananas is very important. We should have bananas everywhere, because we have the right climate, plenty of good soils and good rainfall. In Kisii, Nyeri, Muranga, Kiambu and down at the Coast, like in Taita Taveta, the conditions for banana growing are good. But we want bananas that we can grow locally, to be used as the local food, and also for export to other countries. When bananas are exported to overseas, they lose their yellow colour and turn brown, after a short while. Everywhere, people think that bananas are yellow. Why is it so? We would like to improve, through research, the variety of our bananas.

Mr. Speaker, Sir, the Government should give Kenyans cheap food, because food grown at home can really be cheap. The same also goes for sweet potatoes. We want the local food to help alleviate poverty. They say that, if you can give a human being good food, shelter and health, he or she would be alright. If he or she is a christian, maybe, he or she would be prepared to go to heaven, even if naked, provided he or she is well-fed, healthy and has got a house.

Mr. Speaker, Sir, the other area in which the Minister for Finance was keen on was the improvement of our local cash crops, which I did mention, like tea and sugarcane. I would like to suggest to the Minister that, since he was interested in reducing unemployment, one sure way of reducing unemployment in the rural areas is to create employment there. Way back, in 1990/1991, the late Philip Ndegwa, may the good Lord rest his soul in peace, wrote a report. In that report, three crops were recommended as the ones which the Government should concentrate on, because they would provide a lot of cheap labour in the rural areas, without any problem. The crops mentioned were tea, coffee and sugarcane. But today, sugarcane has been neglected.

I am representing an area where the sugar industries are going to the dogs, as I have said before, because of the importation of sugar from overseas. I would like to suggest that the Government should take initiative to rehabilitate Miwani and Muhoroni sugar factories. These factories can employ a lot of people in Western Kenya and parts of Rift Valley, and provide them with ready labour. But at the moment, Muhoroni Sugar Factory is going to the dogs. And the Minister for Agriculture knows that. If the Ministry's officials are not careful, it will be lost to the dogs. Miwani Sugar Factory, where the Government has got 49 per cent shareholding, is also going to the dogs! And the Government is just doing nothing, but just looking at it! Even my friend, hon. ole Ntimama is looking at me and smiling. But the truth is that it is going to the dogs. The Government can stop it. The Government can also open up a project at the Yala Swamp Opapo Project and put it under sugarcane plantation, or rehabilitate it. In that way, we shall be creating a good number of jobs for wananchi and that will be one way of alleviating the current serious unemployment problem.

The other area is about irrigation. How many times shall I persuade the Ministers to go to the Lake Shore and use the various hills and hillocks there, to initiate minor irrigations schemes, right from Busia to Muhuru Kadem? In all those areas, there are numerous hillocks. I can name them for you; within short distances, there are hillocks; hillocks everywhere as the eye can see! If hillocks can be used as a unit for minor irrigation, where the water is pumped to the hillocks, and the water gravitates, it would be good. Food and cash crops can be irrigated by using that method. Let us think on how the Ewaso Nyiro River can use that kind of facility. The Tana River Water and the Athi River Water

have not been fully exploited under the irrigation system. I would like to suggest that we should construct dams and use the pumping system, by copying from Zimbabwe, so that we supplement the rainfalls with irrigated water, by harvesting the rain water through these dams. In that way, I am sure that we shall be able to create more jobs for the economy.

I would like to suggest that the Minister for Finance should always think of what other people have done in the past. Here in this House, we have made one suggestion after another, risking repeating the same suggestion, but no action seems to be taken. How many times have we persuaded the Minister for Finance to provide compensation for the sugarcane loss in the Budget, by ordering that the cess money be used to construct roads leading to the sugarcane plantations? How many times have we talked about the need to improve roads to the Lake Shore? If that is written in the Government's plans and properly implemented, I am sure that the current conditions would be much better. I look forward to the time when the actual Estimates will come which will provide plans of alleviating the current situation.

With those few remarks, I beg to support.

**The Assistant Minister for Education and Human Resource Development (Mr. Awori):** Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to contribute. May I first start by asking you to, indeed, enforce what you said earlier this afternoon. When some hon. Members come here with some very unfounded allegations, such as what we heard this morning against the Minister for Agriculture; I am very happy indeed, to see that he catalogued everything that went on so that from now onwards, hon. Members will stick to issues and will not go on talking about what I would term as nonsense.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

Mr. Deputy Speaker, Sir, having said that, I would now like to address myself to the issues stated in the Budget Speech. It has been stated several times in various fora that if we were to collect all the revenue in this country, and if we were to utilise all the revenue in this country, we may not require the assistance of any donors. Although that may be an oversimplification, there is a grain of truth in what that statement implies. Running an economy in a country should not be different from running a company. If a well-run company sets up a budget showing what the income will be, against its own expenditure and from time to time, the financial director checks the company's revenue and expenditure against the budget. If there is any variance then it is adjusted according to the circumstances prevailing.

Mr. Deputy Speaker, Sir, to jump-start our economy, it is important that we clean our Act. We must collect all the revenue that should be collected, whether it is Import Duty, Corporation Tax or Income Tax. The expenditure has to follow entirely what is in the books and anything that has not been set out in this Budget should not be spend money on. To do this, it is important that we must fight against corruption, nepotism and inefficiency. If we do this, then there is no reason why the Budget which has been prepared by the Minister for Finance cannot be met clearly.

Mr. Deputy Speaker, Sir, I was happy to note that the Kenya Revenue Authority (KRA) is going to be the sole collector of revenue from all fields. In particular, I would like to refer to the Catering Levy Trustees who will now come directly under the KRA. It is important that the KRA does not throw out the staff currently employed by the Catering Levy Trustee in order to employ new ones. We know the difficulties of getting employment and they must make sure that all those who are employed there remain there to do the work, more particularly those who collect revenue from hotels and other institutions that come under the Catering Levy Trustee. We would like to cut down on bureaucracy, particularly on licensing. There are many industries that have got to go through different agencies in order to get as many as eight licences. This is a waste of time and a waste of finance and it is necessary that this should be centralised. After all, the reasons for licences is to collect revenue and also to monitor the performance of the various industries. We would like the payments of Income Tax to be made easy. We should put a human face on it. There are far too many penalties and interests. For instance, there are certain forms that must be submitted on a particular day and if you fail to submit those forms at 5.00 p.m. on a particular day, and you submit them at 8.00 a.m. on the following day, you will still be penalised. That only encourages people to try and avoid the payment of taxes. If we allow people to submit such forms on the next day at 8.00 a.m., then we will reduce the tax evasion even more than it was reduced. If we do that, we will collect taxes from more people. An example, is where wholesalers sell their products at a lower price and collect more money. In the same way, if Income Tax was reduced to lower levels than it is now, I am quite sure that more revenue will be collected.

In these days of cost-sharing, we would like to try and encourage the generous well-to-do people so that they can donate generously to various voluntary organisations by allowing tax relief on such genuine donations. I would like to ask the Minister for Finance to continue to reduce controls because we know that controls create inefficiencies and encourage corruption. May I ask him to be in touch with his counterparts in the Ministry of Transport and

Communications so that the suggestion that was mooted, to get council staff to man bus stations is abandoned. That must not be allowed at all! We know what would happen, if that was allowed to take place.

Mr. Deputy Speaker, Sir, I note with great concern that interest rates on Treasury Bills is beginning to rise again. We know what Treasury Bills created in this country since 1993. The only beneficiaries of Treasury Bills were the big banks who stopped giving loans to the people and simply bought Treasury Bills and made millions of shillings. In reciprocation, they simply increased interest rates. We should keep the Government borrowing to the minimum because this is what encourages higher interest rates on Treasury Bills.

Mr. Deputy Speaker, Sir, the Minister should try to encourage the merger of smaller banks into bigger banks to avoid what we experienced when the various banks collapsed in this country recently. The Minister should also exert pressure on the bigger banks so that they do not close down branches in the rural areas as they did recently. After all, 85 per cent of our people live in the rural areas. The millions and millions of shillings that they are making at the moment could, if necessary, subsidise the various branches that are in the rural areas.

Mr. Deputy Speaker, Sir, on the issue of liberalisation, we need to re-think again. I think we rushed into this far too quickly and the result of this is that we are beginning to blame other countries who are innocent. When we threw our doors open to imports from all over the world, there was no reason at all, why those countries could not take advantage. We need a full tax relief on all agricultural inputs in order to reduce the cost of production. When we do this, then our products will compete favourably with those imported products. Therefore, there will be no need for us to complain about countries like South Africa dumping their goods in our country.

**Mr. Gatabaki:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I have always wondered, at times very loudly, whether or not I should contribute to this Motion. I have wondered whether, indeed, there is a Government in Kenya. In the last two to three days, we have seen a spectacle where the Vice-President and Minister for Planning and National Development denied a major statement. Then, the Minister for Agriculture has also denied it! We keep on wondering; who is who in this Government!

Mr. Deputy Speaker, Sir, yesterday, hon. Murungi told this House that the golden jogoo in the President's home had been stolen! Thieves got into the house of the President of the Republic of Kenya! The other day, we were told that Kshs500,000 was stolen from State House. The other day, we were told that an Assistant Minister had grabbed State House Road! How shall we get access to State House?

**Mr. Deputy Speaker:** Order! Order, hon. Gatabaki! You must not make reference to Members of this House even by innuendo, unless you are prepared to make a categorical statement and substantiate on the spot.

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I request you not to give me more interruptions! So, please---

**Mr. Deputy Speaker:** Order! The Chair is the only person in this House authorised by your Standing Orders to interrupt. You are not going to make new rules! The rules are there and you should follow them!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, yesterday, something happened which frightened Kenyans! The police were able to foil a theft of what would have been the biggest robbery in this country. There was a transfer of Kshs600 million from Thomas De La Rue to the Central Bank of Kenya. There would have been a crisis in this country. The Central Bank of Kenya would have been denied Kshs600 million! The people who were involved in this major attempted robbery were suspected to be policemen. When the Police Force members, who are the law-enforcement agency, become the law-breaking agency, we are gone! We must ask ourselves where this country is heading to! We have seen newspaper headlines putting the names of who is who in this country, involved in the largest of theft of public funds. Half of the Kshs180 billion set aside as the Budget amount for this year has already been stolen. I served in the Publics Accounts Committee (PAC) and gone through the Public Investments Committee (PIC) Reports. Already, it is a saga of stealing from the lowest level of Government to the highest level of Government! What kind of Government is this, where everybody is a thief? The time has come for this House, which is mandated by the people of Kenya, to take care of our affairs for the welfare of society and just government of man---

**Mr. Sudi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for hon. Gatabaki, to call hon. Members on this side, who are in the Government, thieves? Could he substantiate or withdraw and apologise?

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I did not write the English Dictionary! But anybody who takes public property without authority qualifies to be a thief!

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

*(Mr. Gatabaki remained standing)*

**Mr. Deputy Speaker:** Order! Order! Hon. Members, the Standing Orders are very clear; when another Member stands on a point of order, the Member on the Floor yields the Floor to him. You do not have to get the Chair to intervene. When a Member is on the Floor, and another Member stands on a point of order, the Member on the Floor yields the Floor to the Member who has stood on a point of order. So, proceed, hon. Leshore!



**Mr. Leshore:** Mr. Deputy Speaker, Sir, you have clearly heard hon. Gatabaki say that from the bottom to top level of the Government, all are thieves. I would like hon. Gatabaki to substantiate because I am a Chief Whip of this Government. Could he substantiate that I have stolen anything? I am sure that if I go into his records, I will find that he is one of the biggest thieves in this country!

**Mr. Deputy Speaker:** Order! First of all, let me state, I do not know for how many times now, that there are no thieves in this House. Hon. Gatabaki, even if hon. Leshore has said that you are the biggest thief, you are not. You are an hon. Member. Equally, there are no small or big thieves in this House. They are all hon. Members. So, you will not refer to Members of this House as thieves, rogues, thugs or whatever unparliamentary adjective you will use!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I accept that ruling. What should be done is the following: Every farmer should, from now on, decide not to deliver his produce to the Government. Secondly, President Moi has failed miserably to govern! Therefore, he should quit---

**Mr. Deputy Speaker:** Order! Nobody has stopped you from discussing the conduct and performance of hon. Moi. But you have to do it through a Substantive Motion. Is that clear?

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, we shall do that next Wednesday. We will make an amendment whereby we shall include President Moi, the former Minister for Finance and the Attorney-General as part of the clique which should be censured by this House for their involvement in the stealing of the largest---

**Mr. Deputy Speaker:** Order! Order! Hon. Gatabaki, the Speaker has given you a very stern warning this afternoon, about besmirching other people's names without substantiating. I will not allow it either! So, I will not allow you to call people thieves or whatever you want! Hon. Gatabaki, I am now going to ask you to lay documents on the Table, which prove that the people you have referred to are thieves.

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, if I am allowed, I shall table documents to prove that those people are, indeed, thieves!

**Mr. Deputy Speaker:** Order! You must do it on the spot or withdraw and apologise!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I cannot be forced to substantiate immediately! I have got documents to show---

**Mr. Deputy Speaker:** Order! Hon. Gatabaki, that was a ruling which is not negotiable! You either substantiate now, withdraw and apologise or face the consequences thereafter!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I shall not be intimidated!

**Mr. Deputy Speaker:** Very well. I will not intimidate you, but I will now require you to leave the Chamber for the rest of this afternoon's sitting.

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, you do not have courtesy at all!

**Mr. Deputy Speaker:** Hon. Gatabaki, there are further steps that can be taken to ensure that you comply with the Standing Orders of this House. Once an hon. Member has been asked to leave the Chamber, he is a stranger. Therefore, he cannot address this House. So, you have breached one of our cardinal rules, that no stranger will be allowed in the House. But I will let you get away with it. Now, you can proceed to leave the Chamber.

*(Mr. Gatabaki withdrew from the Chamber)*

**The Assistant Minister for Lands and Settlement** (Mr. Leting): Thank you, Mr. Deputy Speaker, Sir, for giving me the chance to contribute to the Budget Speech. First of all, I would like to congratulate the Minister for Finance for a well presented Budget. I hope the Minister will study the previous Budget and see what has been achieved and what has not been achieved. The previous Budget had a lot of proposals, but most of them were not achieved. In fact, according to my analysis, that Budget only achieved about three of its proposals. For example, the Government deficit was reduced from Kshs17 billion to Kshs7 billion. Interest rates on 91 days Treasury Bills dropped from 26 per cent in January 1998 to 12 per cent in December 1998. Another achievement of the previous Budget was that inflation was contained at a single digit rate. It shows that most of the proposals in the previous Budget were never achieved. This means that the Minister should study the environment, conditions and reasons why that Budget never achieved what was expected of it.

Mr. Deputy Speaker, Sir, as other hon. Members have said in their contributions that for a Budget to achieve its objectives, there has to be a conducive environment around the Minister for Finance. This environment includes security, co-operation with his colleagues in the Cabinet and the officers from the Kenya Revenue Authority (KRA).

When I look into some details of this year's Budget, I notice that they have been broken down by the Minister into several areas where action of reform has to take place. I know that there is something said about the finance sector where banks should have a minimum capital of Kshs0.5 billion. He has also made the issuing of bouncing cheques a criminal offence. Those two proposals will go a long way in improving the activities of the banking sector. Bouncing

cheques, of course, is one of the headaches of many business people. If this will be achieved, then it will have an impact on the discipline of people who write bouncing cheques.

Mr. Deputy Speaker, Sir, I note also that there is something on insurance. There are proposals on how to revitalise our tourism industry in this Budget. It has been proposed that 50 per cent of the Catering Levy will be used for promotion of tourism. There are also proposals on reduction of taxes. For example, personal tax has been reduced by ten per cent. The corporate tax has been reduced from 32.5 to 30 per cent and VAT has been brought down from 16 to 15 per cent.

Mr. Deputy Speaker, Sir, it is evident that every sector has been given something to improve itself. But not enough has been done in regard to the farming sector. I note that the Minister proposes to continue the liberalisation of the agricultural sector. Those proposals are geared towards protecting the market of our farm produce. But we do not seem to have concrete proposals on how to make the farmer succeed in producing food in this country. In the previous Budget, something had been mentioned about the public subsidising the farm inputs, which was not achieved. This Budget is also silent on whether that effort will be made or not. There is a proposal that the tax on imported foodstuffs be raised. However, this would be like liberalising the agricultural sector. You impose tax on imported foodstuffs when you have produced food. However, at the moment, the weather shows that we might have to import food anyway. So, I would like to appeal to the Minister to re-examine how we can help the farmer to produce food before we help him to market it.

Mr. Deputy Speaker, Sir, on the Presumptive Tax of two per cent, I feel that the Minister should suspend it in view of what is happening at the moment in the country. We note that the rain season for planting started very late this year---

*(Loud consultations)*

**The Assistant for Industrial Development** (Mr. Kimkung): On a point of order, Mr. Deputy Speaker, Sir. There is too much noise in the House. If hon. Members on the other side feel that they need to consult, why do they not go to the consulting room?

**Mr. Deputy Speaker:** Order, Mr. Kimkung! Your role is only to participate in debates in this House. You do not have to give a ruling. Hon. Members in that corner, particularly the hon. Member for Budalangi, let us have some order in the House so that we can hear what contribution the other hon. Member is making.

**The Assistant Minister for Lands and Settlement** (Mr. Leting): Mr. Deputy Speaker, Sir, what I was saying is that the weather conditions at the moment are such that the Minister many have to suspend this two per cent Presumptive Tax which is to take effect from January next year. The reason why I say that is that the rains for the planting season started very late and when it rained, it was not enough for plants. When farmers, especially in Rift Valley planted, we had the invasion of the army worms. Also there is an unusual drought which will affect most farms at the moment. So, there will be nothing to harvest in general, the way I see it.

The other point is the issue of pending bills. The Minister for Finance spelt out some measures on how he intends to clear the outstanding bills, some of which have been outstanding for 15 years. I am not sure whether the Minister is aware that every year Ministries, because of under-funding, incur bills which are not even paid before the end of the financial year. According to my own experience, most Ministries suspend the payment of bills until the beginning of a new financial year. In most cases, you will find that half of the Recurrent Expenditure for a particular Financial Year in some Ministries is swallowed by the carry-over bills from the previous year. Actually, this affects the Budget of a Ministry. I hope that the Minister will also look into that so that when the Budget is read in this House next year, the bills which will have been carried over will be taken into account when assigning Votes to particular Ministries.

Mr. Deputy Speaker, Sir, I would also like to talk about the fuel levy. The Minister has increased fuel levy on all oil products, although he did not indicate the amount of money we collected last year and the amount of money we actually spent. The problem is that, as many hon. Members have pointed out nothing was done about our roads in the whole of last year. The roads are in the same condition throughout the country. Nobody can say that some roads have been done in some parts of this country. A lot of money was collected from the fuel levy and one wonders what happened to it. It seems that there is not much accountability. I plead with the Minister to look into ways and means of decentralising the fuel levy administration as soon as possible. This will enable each institution, whether a county council, a municipality, a district or a province, to spend that money, maybe, sooner than latter. This is because most of the members of the public are not happy that we increased the fuel levy before we knew how the previous amount of money that was collected was spent.

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

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

debate. There was one English Premier who was called Benjamin Israel who said that dumbness lies in statistics.

Mr. Deputy Speaker, Sir, the current Budget that has been read in this House is basically a statistical document. We have seen a lot of figures in it, and I would like to say that most of them are not realistic. It has been said that the economy recorded a growth rate of 1.7 per cent last year. The opposite of this is quite true. This is because in reality, the economy of this country is not growing. All that we have is widespread lay-offs in the banking sector. You can name the National Bank of Kenya (NBK), the Barclays Bank and the Standard Chartered Bank. There are also widespread lay-offs in the industries, including in Kisumu Cotton Millers (KICOMI), Raymond and Rift Valley Textile Industries.

The situation in the health sector and other sectors is pathetic. All that we hear is lack of medicine in Government hospitals despite the fact that year-in-year-out we pass the Budget in this House. We have not been told where all this money goes to. The worst case is the Ministry of Public Works and Housing, which can also be called "the Ministry of Public Waste". This Ministry, which is in charge of our roads, is doing absolutely nothing in this country. This is because the roads leading to every part of this country are in a pathetic state. I wonder why we pass money in this Budget for this Ministry, when, in fact, if you go to Kisumu you will find that there is absolutely no road that has been done in my constituency since the last Budget. If you ask the Ministry officials at the district level what they have used the money we have passed in this House for, they will tell you that they have been paying pending bills. If you go to Kisumu, you will find that the Miwani/Muhoroni Road was done, but it has been destroyed within a time span of less than two years, despite the fact that an enormous amount of money was spent to repair the road.

Mr. Deputy Speaker, Sir, in the agricultural sector, nothing is being done by this Ministry to improve it. Food production in Nyanza Province, particularly in Kisumu District, is virtually non-existent. The sugar industry is not getting the assistance that it requires from the Ministry which is concerned. It was only yesterday when I talked about Nyamthoi, where the Ministry could help us through this Budget to encourage food production by the local wananchi, so that they can fend for themselves. This is not to be so despite the fact that we are being asked to pass the Budget in this House year after year.

Coming to sugar imports, I would like to say that despite the fact that the Minister had assured us that sugar imports were not being allowed into the country, we heard the other day that a large quantity of imported sugar was lying at the port of Mombasa. The sugar is still lying there and we do not know whether it will find its own way inside this country or not. These are some of the things that should not be allowed to happen in this country if it is to record any meaningful economic growth.

Coming to the financial plight of our sugar factories, for example Muhoroni, I would like to say that the factory is now under the threat of closure. In fact, it is in dire need of funds. It has the Sugar Development Fund which is not helping it, and yet, it is only the other day when the Government paid the NBK over Kshs2 billion to cater for bad debts by fat cats. The NBK is the one which is actually threatening Muhoroni Sugar Factory with closure. The same case applies to Miwani Sugar Factory. This factory was also financed in a similar way using Government money, but so far, we have not been told about the ownership of these factories, where the money was received from, who owns them and how this will help wananchi. This is because as we are talking in this House today, it takes over 36 months for sugar-cane farmers to be paid their dues. There is nowhere in this world where a person can spend his energy, money, weed for his sugar-cane and then wait for 36 months to get his pay, when it is supposed to take 18 months only.

Speaking about this Budget provokes a lot of things. Sometimes I feel like praying to God so that he can help us. This is because we have talked to this Government for many years. Every time we talk about the Budget and so on, we appeal to the Government and the Ministers to help us. Therefore, I would like to pray to God that He helps us from the thievery and misery that are so prevalent in the Ministries, particularly those that we will give money when we pass the Budget. I pray to God to help us overcome corruption. This is because the vice is a major obstacle in the development of this country. We cannot move forward because of corruption. We can also not move forward because Government leaders and Ministry officials are not doing what they are supposed to do. They are only after getting what they can for their pockets.

This Government is guilty of paying lip service to the wananchi of this country. We have a lot of good policies on paper, but it has not been possible for us to turn them into practice. What we have are false promises, and we do not take Parliament seriously. This is because as I talk here, I represent the people of Kisumu Town East Constituency, who elected me. The Minister should listen to me in order for him to know that I am talking on behalf of many people. Therefore, the Government must take Parliament seriously and save our roads, economy and people so that we can realise our dream.

Mr. Deputy Speaker, Sir, every Kenyan wants to be employed and peace. Every Kenyan also wants to go to his place of work, work, return home to take care of his children, eat *ugali* and sleep peacefully. But the Government is paying lip service to its people because of corruption. But with corruption, the lip service by the Government and all

the ills I have mentioned before, we shall not get anywhere. Therefore, my prayer to you, is to give the people of Kenya a chance. With these corrupt engineers and the likes of the Ministers and so on and corrupt construction companies like Singh Construction Company, there is nothing we are going to do.

Mr. Deputy Speaker, Sir, there is one point that I must raise. This is with regard to the expansion of Eldoret International Airport. I understand that there is a sum of Kshs714 million that the Ministry is budgeting to use for expansion of Eldoret International Airport. Kisumu Airport is the oldest airport in this country. At a time when other areas only had speeding boats, Kisumu had an airport.

**The Assistant Minister for Industrial Development** (Mr. Kimkung): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member, who is a good friend of mine, to say that the Ministry is planning to expand Eldoret International Airport, yet he knows that, that is hearsay? The Ministry is not planning. It is the newspapers that are planning.

**Mr. Sungu:** I will only be too happy if that is true. But I would like to say for certain that Kisumu Airport is the oldest airport in this country and it should be expanded, instead of taking funds elsewhere.

*(Applause)*

Instead of allowing cracks and craters on the run-way, we must expand the airport where there is demand, where there are people who want to travel; where there is adequate---

**An hon. Member:** Adequate fish.

*(Laughter)*

All this is happening because of bad policies, bad governance and politicising of development.

Mr. Deputy Speaker, Sir, I have heard some criticism on the Government by hon. Members on the Government side. Much as I may agree with them, some of them are the least qualified to criticise this Government. This is because they are the ones who have been in the Government for a long time and their riches are countless. I have in mind the former Minister for Finance and the former leader of Youth for KANU '92. These are the people who should not criticise anything, because I cannot tell where they got their money from. If they got their money legally, they should come out and prove it in the open before they criticise the Government. But for me as a person, I have the right to criticise it because I have not stolen anybody's money. I am clean.

Mr. Deputy Speaker, Sir, with those few remarks, thank you for giving me the opportunity.

**Mr. Poghiso:** Thank you, Mr. Deputy Speaker, Sir, for the opportunity. I would like to congratulate my colleagues who have spoken before me on this Motion.

Mr. Deputy Speaker, Sir, to a large extent, budgets are a public relations exercise. For some of us who represent rural constituencies, even the public relations exercise does not reach our constituencies.

Mr. Deputy Speaker, Sir, there is a situation in this country where the Budget is read and presented live on TV and radio. But 90 per cent of my constituents do not use any of those media. They cannot even read the newspapers. So, for us, the Budget does not get communicated to the people who are affected by the same Budget. In other words, when the Minister says: "With effect from midnight, tonight, we are going to increase the price of kerosene," for the common person in Kacheliba, that message will not reach him or her within the span of six hours and one cannot, therefore, rush to buy the kerosene for the six months ahead of him at a lower price. In any case, the point I am making is that this Budget needs to be communicated to the stakeholders, including the largely semi-literate populations of this country. How do they get to know what has been said in this Parliament? What that does to me as the Member of Parliament for the area, is that I must now go from village to village to tell them basically, what the rest of Kenyans heard

in one sitting and that is not fair.

Mr. Deputy Speaker, Sir, there is a large portion of my constituency that is now anticipating looming famine and poverty due to the drought which is gripping the country now. I do not even think the Budget anticipated this. Yet, for places where we come from, ASAL districts, the Government only needs to apply the principle of predictability. What is going to happen to the Pokot people of Kacheliba Constituency is predictable. What is going to happen in Turkana is also predictable. Year in, year out, nine months of the year, there will be no rain. So, when you are planning the Budget and you can predict the situation there, how come when we open the estimates books, there is nothing to show that the Government is aware of that situation?

Mr. Deputy Speaker, Sir, I would like to suggest that the Ministries of Water Resources, Agriculture, Education and Human Resource Development and Rural Development are basically friends of ASAL districts and they should plan, even without being told, to increase their budgets for these ASAL areas. Just to prove the point, famine

relief food comes to West Pokot District. Each month, we are told that a division is going to get 80 bags of famine relief maize. A whole division! You do not know whether that will go for the DO's fuel for his Land Rover or for him just to hold a meeting and that is the end of it. We have no idea of the suffering to be anticipated because the people are generally poor. But we know that these are ASAL districts and we expect that those who plan for famine relief food should think in terms of populations, families and that, every month, they will anticipate that. If not, there should be an emergency master-plan for eradication of poverty in those areas. We should not wait for the general master-plan this country has, that is going to scale the years between now and the year 2015. We should start now with those areas that are in danger; those that are prone to famine and we know them. There is nothing new about them.

Mr. Deputy Speaker, Sir, let me also say something about roads. In my constituency, there is but, one road, which is only 200 kilometres long. If you go there, you would think a glacier had gone through the road. It has been like that for several years. I would like to advise the Minister for Public Works and Housing about this. You have posted a Roads Engineer to West Pokot. For the sake of utility and good governance, remove this engineer from there, or else, justify what he has done from January to December, 19998 and from January to June, 1999. I would like to know what an engineer goes to do in his office when he goes there at 8.00 a.m. and comes out at 5.00 p.m., when there is not a single road that has been done in that district. Of the many senior members of staff that are posted to districts, what do they do from the time they enter their offices in the morning, to the time they get out at 5.00 pm., when we know the services are not there?

There are some who perform their duties. I cannot say that for every Ministry but I will say that for sure, for the Ministry that is in charge of roads. Where is the money that is supposed to go to the roads in West Pokot? Where is the money from the levy on fuel? If that money was there, knowing that we do not have very many roads, we should begin to see its effects. I will challenge the Minister to go to West Pokot and look for a sign that says: "This road has been improved using the fuel levy". If you find one such sign I will be very happy to comply and withdraw what I am saying at the moment.

I would like to go on to the point of the census. The census will be responsible for forward planning for economic activities in this country. I come from a nomadic community and I know that since everything is planned from Nairobi and similar plans are made for everybody, I would like to sound it here that what you plan for many communities please, do not plan for the nomadic communities. I would like to suggest that those who do enumeration and statistics for these nomadic communities need to be nomadic themselves. For that matter in the drought of the dry season that we are approaching now, a lot of us are going to be moving. In fact, many people have started moving. What are you going to do in order to reach and count most of our people who have moved far from where you know as your normal routes for counting? We should begin to plan now for that kind of census. It is going to be difficult, but it must be done so that our people are planned for and included in the planning for economic development.

For a long time our numbers have been under-estimated. In fact, most people call us small tribes, but no one has actually got the figures right. One of these days when you discover how many Pokots are in this country you are going to begin to refer to us as part of the large tribes; in fact, the only forgotten large tribe. The Budget does not seem to also anticipate insecurity problems that are associated with cattle rustling. I am suggesting that the Minister begin to think about cattle rustling as a danger to the economy of this country. If it is the case, what are you going to do about it? I should suggest that Budgeting should include funds for taking care of cattle rustling, not just by revamping the military so that they can go and fight. I am talking about wanting to initiate peace meetings to remove or eradicate poverty among the communities. That should be deliberate so that cattle rustling dies off.

Mr. Deputy Speaker, Sir, one thing that will finish cattle rustling is if the Government goes ahead and is deliberate about education of these people who are now involved in cattle rustling. We do have schools but the teachers who are posted to our areas do not want to go there and so our children do not go to school. They then turn to cattle rustling. Why does the Ministry of Education and Human Resource Development not begin to take children from those areas and train them specifically? Let there be that kind of affirmative action so that the people who have finished school can go to train as teachers and come back to these communities because then they will be effective. We want the education levels to be lifted so that cattle rustling is eradicated. Cattle rustling does not get finished through accusations and counter-accusations. I have heard my friend from Turkana say that the Pokots are finishing them. People from Marakwet are saying that the Pokots are finishing them. That is nonsense. There is no cattle rustler who is bigger than another cattle rustler and so this business does not end.

**The Assistant Minister for Labour** (Mr. Ethuro): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to deny that the Pokots are killing Turkanas and Marakwets every other day?

**Mr. Deputy Speaker:** Order! We are debating the Minister's Budget Speech and not cattle rustling.

**Mr. Maitha:** Thank you, Mr. Deputy Speaker, Sir, for giving me a chance to give my views on the Minister's Budget Speech for this year. If it will be remembered, on the Budget day when the Minister was giving his speech I interrupted him because I was furious when he talked about privatisation of the port of Mombasa and when he

mentioned the exemption of duty and Value Added Tax (VAT) on cargo handling equipment at the port. Also, many things have been said and the Coast Members of Parliament have been up in arms that the port should not be privatised. I wanted to explain to the Minister today that I did that on that day because I know that the exemption of duty and VAT on cargo handling equipment at the port which was announced by the Minister is a way of benefiting some few corrupt and politically correct companies which are being fronted at the port by senior officers of the Ministry of Transport and Communications and some officers in the Ministry of Finance.

Mr. Deputy Speaker, Sir, we have been warned here that under our Standing Orders, we are not supposed to name names. I would like the Minister to know that we are going to oppose the privatisation of that port because by privatising this port we are rendering over 4,000 workers redundant and the people who want to buy the port---

**Mr. Deputy Speaker:** Hon. Maitha, you are really anticipating what the Minister will do when he brings the Motion on Privatisation of the Port.

**Mr. Maitha:** Mr. Deputy Speaker, Sir the Minister for Finance did speak a lot about the port during the Budget day and I did interject on that day. In fact, I said that it was wrong for the Ministry to actually exempt the duty and VAT on cargo handling equipment of the Port. The port of Mombasa has suffered a lot for many years, and the Minister is aware that the imports including equipment and spares by the Port should have been exempted from duty. The Minister has not had any time at all to study on why the port should not be given exemption. Why now? That is the question we are debating as Coast Members of Parliament. The Permanent Secretary in the Ministry of Transport and Communications has been misleading the Ministry of Finance on some issues about privatisation of the Port. I am very well aware that the office of the Permanent Secretary in the Ministry of Transport and Communications has grown to be so strong that its work is even being put into Budget speech which means that this exemption will benefit him or that office alone.

I am saying that because the Ministry of Transport and Communications and very much aware ---

*(Mr. Michuki consulted while kneeling on the Bench)*

**Mr. Deputy Speaker:** Hon. Michuki, what on earth are you up to? The Benches are to be sat on, not knelt on. Proceed.

**Mr. Maitha:** Mr. Deputy Speaker, Sir, we are very much aware that Mwaniki and Associates company which is just a consultancy firm of accountants that has been awarded the tender for the evaluation of the Eldoret depot is not qualified. It is the same company which has been fronted by the Permanent Secretary in the Ministry of Transport and Communications, through the advice of the officers in the Treasury to ensure that such words are included in the Budget so that the Minister can come here and say that: "We are exempting some taxes."

Mr. Deputy Speaker, Sir, sometime last year, the Government, through the Port of Mombasa, wanted to buy equipment to be used in the Port. A tender was advertised, and usually, the Ministries of Finance and Transport and Communications give directions regarding all tenders over Kshs10 million advertised by the Port of Mombasa. The tenders were invited but because the office of the Permanent Secretary, Ministry of Transport and Communications has grown big horns, it even manipulated and, in fact, misadvised the Ministry of Finance because they were fronting for some companies.

**Mr. Deputy Speaker:** Order! I am going to call upon you to lay documents on the Table of this House to prove that the PS, Ministry of Transport and Communications manipulated those tenders.

**Mr. Maitha:** Mr. Deputy Speaker, Sir, I am still contributing, I have not mentioned anybody.

**Mr. Deputy Speaker:** You have mentioned the office of the Permanent Secretary!

**Mr. Maitha:** Mr. Deputy Speaker, Sir, I am saying that because it is on record.

**Mr. Deputy Speaker:** Well, do you have those records here?

**Mr. Maitha:** Mr. Deputy Speaker, Sir, I have not mentioned the company.

**Mr. Deputy Speaker:** You have mentioned the office of the Permanent Secretary. That is a human being!

**Mr. Maitha:** I have not mentioned names!

**Mr. Deputy Speaker:** Well, we do know that there is only one Permanent Secretary in the Ministry of Transport and Communications and he has a name.

**Mr. Maitha:** You are required to substantiate if you mention him; I have not mentioned him.

**Mr. Deputy Speaker:** Order, hon. Maitha! Hon. Members, let us take ourselves seriously. We do not want to repeat this ground over and over again. You should not mention people's names even by innuendo. This is because if you refer to a Permanent Secretary in the Ministry of Transport and Communications, you are referring to only one individual since there are no two Permanent Secretaries in that Ministry.

**Mr. Maitha:** Mr. Deputy Speaker, Sir, I want now to refer to the Government. The Government, through the

two Ministries of Transport and Communications and Finance is being misadvised by officers to manipulate tenders. As a result, the Government pays a lot of money. I think that is better now.

Mr. Deputy Speaker, Sir, Tradewing Company, Regina Traders Company, Adra Company and Mwaniki and Associates Company are some of the companies being fronted in the Port of Mombasa to loot Government funds. The Government is very much aware of this fact. These companies are the ones which were given tenders to import equipment for the Port of Mombasa. Already, we have an example where Tradewing was awarded a tender to buy some top loaders and these people's quotation was not even the lowest. Because they were being fronted by some people, they were given a tender to supply top loaders which are locally sold for Kshs32 million shillings. The Ministries of Finance and Transport and Communications are very much aware that the Government lost Kshs80 million through this tender. The same companies are the ones which are now being fronted by Mwaniki and Associates Company to give logistics for the privatisation of the Port of Mombasa.

We are aware that these companies have been awarded tenders to supply a very big quantity of equipment. For example, at the moment, the Port is looking for 36 Forklifts, Port Tug Musters and 12 Grafts which are worth billions and billions of money. The Government is also aware that it has already awarded these tenders to some companies whose quotations were not even the lowest. For example, Tradewings has already been awarded some tenders and they have already supplied three hefty handlers of 16 tonnes. They have already supplied 12 fork lifts of five tonnes and four tug musters of 16 tonnes. Because you must pay a lot of taxes for these equipment and a lot of money, they have now come back to advise the officers in the Ministries of Transport and Communications and Finance that, if the Minister for Finance can exempt them from the duty and Value Added Tax (VAT) on the cargo handling equipment, they are the same people who will bring this equipment.

A German Company which was awarded a very big tender to supply some grafts which are very big machines at the port, has been unable to---

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

**The Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development** (Mr. Sudi): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech. While contributing to the Financial Statement, I would like to talk about two issues which were raised by the Minister for Finance. First of all, the Budget should have addressed the issues which affect the common man, especially poverty-oriented issues which the Government has been trying to tackle for the last 36 years. These are issues like poverty eradication and security.

Mr. Deputy Speaker, Sir, we know very well that since Independence, the Government has been making efforts to eradicate poverty through settlement schemes, harambees and rural development projects. However, that has not been enough to reduce poverty as it has increased over the years. With the tremendous population growth, we have been having a number of problems which we have to address as leaders.

One problem which is affecting us is that, the Government formulates policies but it fails to implement them. Policies which have been formulated are good but the implementing officers

President. I would like to thank the Permanent Secretary, Office of the President who has been following up and implementing directives of the President. He has assisted in reducing further suffering of the Marakwets. Whatever we tell him to do, he follows it to the letter. He has assisted a lot as far as cattle rustling and the suffering of women, old men and children is concerned.

Mr. Deputy Speaker, Sir, at the moment, this country is experiencing drought. A famine is looming and this should be addressed seriously. Unforeseen remedial measures in case of rain failure have not been addressed in the Budget. This has been discussed and I hope the Minister is aware that there is looming famine, and we are all concerned as citizens of this country. The rains did not come in time as a result of maybe, the *La Nina* period which had been predicted. There should have been a vote in the Financial Statement---

**Mr. Kamolleh:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to actually read his notes rather than refer to them?

**Mr. Deputy Speaker:** The hon. Member, of course, is quite in order. The person who must be satisfied that the hon. Member needs to refer or read his notes is the Chair. I am quite satisfied that the hon. Member needs to read some of his notes for purposes of accuracy. Proceed!

**The Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development** (Mr. Sudi): Thank you, Mr. Deputy Speaker, Sir.

With those few remarks, I support the Motion.

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

The Budget Speech contains several good things which one can always wish that they become true. But like any other budgets before, there is very little to show, particularly since the early 1990's. This is simply because money

is allocated for development, but it never reaches the intended projects. This is why we even have pending bills of colossal sums of money which have not been paid to contractors. We are only hoping that this Budget will be the beginning of a new era where, what is allocated will be strictly spent on that particular item.

Mr. Deputy Speaker, Sir, I come from Tetu which is an agricultural area, and there is no single road that I can quote which has been done in the recent past. The infrastructure in Tetu is poor.

Similarly, the water projects which were done in early 1980s and earlier, and which are due for rehabilitation have not received any funding or attention at all.

There are telephone exchanges at Nyahururu and Muthinga Market, and we do not know how we still have "second-hand" telephone exchanges. This really amounts to cheating the subscribers of their hard earned money. They constantly get telephone bills, yet there is no service. The access fee is always chargeable and disconnections occur with penalties.

Mr. Deputy Speaker, Sir, I would view the re-introduction of the Presumptive Tax to be a retrogressive feature in the Budget Speech. We had hoped that farmers would get a chance, but now, that will not happen due to this taxation which I can only equate with with-holding tax which is payable, even by people who, under the PAYE System, would not qualify to pay tax.

I am not suggesting that tea estates which earn a lot of money should be exempted from the Presumptive Tax. It is punitive to tax small-scale farmers who sell their produce through co-operative societies when they do not fall within any tax bracket. I hope that the Minister will look into that and give those farmers some relief.

Mr. Deputy Speaker, Sir, on the issue of education, I note that the Minister intends to keep the children at school through the provision of bursaries. I am aware that there have been bursaries before, but very few people benefit from those bursaries. These bursaries are intended to keep the children at school, particularly the primary school children. It is always understood that one goes to school to graduate after sitting for an examination. So, I would like to propose that since the examination fees are collected and sometimes defrauded, it could be a relief if the Minister would consider funding it so that no child is sent away for a number of days because of examination fees.

There is one area which has been always ignored in our education system; that is the Special Education. In this particular Budget, I do not see any emphasis on special education. We can imagine somebody who is in school up to the age of 40 and his poor parents are still paying for his fees. Some arrangements should be made as to where those children will be rehabilitated and also prepare them for formal employment after graduation. I would request the Minister to look into that area to help the parents who have to pay fees which keeps on increasing yearly even for adults who cannot graduate from those institutions.

On the issue of insurance, Mr. Deputy Speaker, Sir, the Minister intends to tie the Third Party Insurance to inspection of vehicles. I would like to know if the Minister is aware that insurance firms also undertake valuations for vehicles which are over 10 years old or more. They would require inspection and valuation reports for them to accept the risk. If we are going to involve other players, I hope that we are not going to open an area for corruption which will end up not helping the insurers.

I would like to commend the Minister for introducing the long-term Government securities in place of the bank guarantee which broke up since the Insurance Act came into force. A lot of money has been lying with the banks where no interest is paid to the brokers or to anybody for that matter yet, the money is available to the banks to lend and earn interest on it. I do hope that it is intended that the brokers who place their money on long-term guarantees will get the long awaited interest on those guarantees. There is also a five per cent penalty which is levied on outstanding premiums yet, in a majority of those cases, the premiums are outstanding with the clients and not the insurance brokers, particularly the parastatals who default in paying premiums. So, it has been very punitive to charge such a penalty when the money does not go to help even the Insurance Department which gives the service to the industry. I would like to suggest to the Minister to explore ways where that money earned through penalties should go to help the industry. Along with that, I would suggest that the Insurance Department should be more autonomous particularly this time when we have a very competent and experienced Insurance Commissioner who is well-known in the circles. He can sit down with the other players and make this industry more viable.

Mr. Deputy Speaker, Sir, on the issue of Income Tax, the relief on life insurance was matched with the Personal Relief yet, we want to mobilise savings. A majority of the rural people who have been taking life policies can no longer determine if they are getting any benefits from such policies. I would also like to suggest that, that relief should be clearly shown so that it can encourage many people to buy insurance policies, thus creating savings for mobilisation into investment in industries and so on. It is happening in the Pension Schemes. I commend the Minister for encouraging employers to arrange pension schemes for their employees by giving the tax relief.

The widening of the taxation gap and the relief has not given us much. This has been happening over the years. Somebody in Kenya earning over Kshs40,000 per month would be considered to be a high-income earner yet,



the relief given by the Minister only gives an additional take-away home of Kshs483 to such a person in this new tax arrangement.

Thank you.

**Mrs. Mwewa:** Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to the Minister's Budget Speech. I would like to thank His Excellency the President, Daniel Toroitich arap Moi, for making the country be the way it is today. The President needs to be respected by all of us including Members of the Opposition.

**Mr. Kitonga:** On a point of order, Mr. Deputy Speaker, Sir. I think the Gracious Lady has lost direction. The President was not part of the Budget Speech.

**Mr. Deputy Speaker:** Order! Order! The Gracious Lady must be heard in silence.

**Mrs. Mwewa:** Mr. Deputy Speaker, Sir, I am speaking about the President of this country who was elected by a majority of Kenyans. He was not elected by Members of the Opposition, but he was elected by all Kenyans, including Members of the Opposition plus the mother of Mr. Kitonga himself!

**Mr. Kitonga:** On a point of order, Mr. Deputy Speaker, Sir. I very strongly object to what the Gracious Lady alleges, that even my mother voted for President Moi. My mother died last year!

**Mr. Deputy Speaker:** Order! Order!

**Mr. Kitonga:** No, she must withdraw and apologise to me.

**Mr. Deputy Speaker:** Order! Order! Well, if your mother died last year, then clearly she voted. How do you know that she did not vote for the President? Hon. Kitonga, you should apologise!

*(Mr. Kitonga stood up in his place)*

**Mr. Kitonga:** No!

**Mr. Deputy Speaker:** Order! I do not know how many times this afternoon the Chair has ruled on how Members ought to behave when the Speaker is on his feet. It does not matter who you are or what you think you are; those rules will apply to all equally. You may be angry but, hon. Kitonga, I now require you to leave the Chamber for the rest of the day.

*(Mr. Kitonga withdrew from the Chamber)*

**Mrs. Mwewa:** Mr. Deputy Speaker, Sir, I was saying that the President of this country was elected by the majority of Kenyans and he deserves his respect as the Head of State. I would like to appeal to all the hon. Members of this House that because the current President of this country will not be there forever, whoever will be the President of this country either from the Opposition or from the Government, should be given his due respect. During the struggle for Independence, people went to the forest to fight for the freedom of this country. They were fighting for the freedom of the present generation which is there today. What will happen to our children, mothers and the people who elected the hon. Members who are in this House today? Instead of Members bringing up matters affecting their constituencies, they instead abuse the Government.

**Mr. Deputy Speaker:** Hon. Mwewa, I ask you to be relevant to the Motion before us.

**Mrs. Mwewa:** Mr. Deputy Speaker, Sir, I would like to say that it is better sometimes to talk about things which are affecting our people like electricity, clean water and education. For example, in Makueni District, we have only one tarmacked road; the Mombasa-Nairobi Road. It is not only for the Makueni or the coastal people but it is a road for all Kenyans. So, I would like to ask the Minister for Public Works and Housing to look into the issue of roads in Makueni and also most of the towns along the Nairobi-Mombasa Road because they lack electricity. We have big towns which are coming up like Machinery, Kambu and Mtito Andei. Most of these towns lack electricity.

Mr. Deputy Speaker, Sir, I will also talk about violence against women. Most of the Kenyan women want to keep their marriages but today, it is very hard for our husbands to do so. Women do not enjoy peace at home because of beatings by their husbands every now and then. That is why they run away from their husband's beatings. That is why they are doing odd jobs in most of the towns and they also deserve to be given the respect. But the kind of jobs that they do are contrary to their wishes and they need not be called divorcees. This is because I think, the divorced women must go to a man. When God joined husband and wife, he said that no one should put them asunder and this time married women go to an extent of being beaten and burnt. Sometimes, some of the victims are crippled or even killed.

Mr. Deputy Speaker, Sir, I beg to stop there and support the Minister's Budget.

**Mr. Thirikwa:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to make some few

observations on the ongoing Budget Debate.

Mr. Deputy Speaker, Sir, I think Kenyans have become oriented to one fact; that in June, we read a Budget. So, they know that we read a Budget. The big question here is whether we do a practical Budget. Are we able to implement the Budget that we read in this Parliament or has it become a kind of a tradition that we must read every June? I hope in this case, the Minister for Finance will possibly get all the support he requires and implement the Budget that he read to this House.

Mr. Deputy Speaker, Sir, I wish to make some observations because eventually, the main aim of the Budget, is to enable this Government to collect revenue and possibly plan how to spread the revenue collected. I would wish to suggest that, the Government must come out with practical simplified methods of revenue collection. The way the Government collects its taxes is too cumbersome. It involves a lot of bureaucracy. For example, if today you wanted to have a road licence for your vehicle and possibly that vehicle is subjected to an inspection, you are required to go to the revenue office in your district. From there, you have to proceed to the provincial level whereby after arriving there, you are told to go to the bank to buy a bankers cheque. Once you buy a banker's cheque, it is sent to the Kenya Revenue Authority (KRA) and you are told to wait for a receipt. I honestly believe that Kenyans do not have all this time. The actual method of revenue collection should be simplified. That is why most Kenyans are not paying taxes. They are not paying the revenue to the Government and not because they do not want to pay the revenue but simply because the methods used are too cumbersome.

Mr. Deputy Speaker, Sir, I would suggest to the Minister for Finance that for heaven's sake, let us simplify revenue collection methods. Let us keep under one roof all these things. I do not see why we should have the Kenya Revenue Authority office at Nakuru while we can actually pay that money at Nyahururu for onward transmission to the Kenya Revenue Authority. But as it is now, we are supposed to go in circles, instead of just going to one office and get licences. That is the same case with the transfer of vehicles; when you collect the log books. It is the same case with driving licences. So, I would suggest that the Government comes up with simplified methods of revenue collection.

Mr. Deputy Speaker, Sir, after the revenue is collected, we should also know what the priorities are. I honestly believe that if we put the priorities right after collecting the revenue, every part of this country will have proper infrastructure such as roads, airports, dams, *et cetera*. However, surely, the Government does not have its priorities right. For example, what would be given priority; between building an airport and putting up an irrigation project somewhere in Ukambani? For how long should we feed the people of Ukambani with relief food, when we have four rivers that traverse all Ukambani districts which can supply enough irrigation water to all of them? I believe that the Government should come up with suggestions on how to put up irrigation projects in Ukambani. Katilu Irrigation project in Turkana District is dead. Another irrigation project has also collapsed in Tana River District, and people are very hungry there. Therefore, I honestly believe that we should be able to prioritise the spending of Government revenue in this country.

Hon. Members have said a lot here about the dairy industry. They are, of course, within their rights to talk about what is happening in the industry. It is actually their responsibility to do so. They are supposed to represent the dairy farmers in this country. Now that the Kenya Co-operative Creameries (KCC) Limited is under the Ministry of Co-operative Development, I honestly believe that politics should be put aside and the real problems facing the KCC tackled. I think we have tackled one another for too long. Now, the issue is that we must tackle the problems being faced by the KCC.

I would like to bring to the attention of the Minister for Co-operative Development the fact that he has an enormous task ahead. I would also like to tell him that if the four areas I am going to highlight here will not be addressed, all stakeholders will be affected adversely. One, the KCC should be totally de-linked from politics. For the last three years, the KCC has been run from every corner of this country. Its affairs have been discussed at political platforms, Harambee meetings, church gatherings, in Parliament, courts, *et cetera*. I honestly believe that we should keep politics out of the KCC. I wish all those who are in the management of the KCC well.

Mr. Deputy Speaker, Sir, the other issue I would like to talk about is the effects of liberalisation. We should address the effect of a liberalised economy. The KCC has had the monopoly of processing and marketing dairy products in this country for over 60 years. All of a sudden, the KCC has been denied that monopoly by the liberalised economy. Unless we address that factor, we will continue to have problems at the KCC. For the information of those who care to know the truth, and not the political propagandists, the KCC always requires about 300,000 litres of milk to break even. Now, if you collect a mere 10,000 litres of milk, then you are told to pay the farmers, surely, only a miracle can make the KCC survive.

What I am saying is that the farmers must be made aware that they must be committed to the organisation. The KCC---

**Mr. Sambu:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to mislead the House that the farmers have refused to deliver milk to the KCC when he knows the reasons for the farmers' refusal to do so?

**An hon. Member:** He was a director of the KCC!

**Mr. Thirikwa:** Mr. Deputy Speaker, Sir, I think I need to argue from a business point of view. I do not care what other people think about the whole issue. I am stating the facts as they are. It does not matter who becomes a director, facts will always be facts. The fact is that after liberalising the economy, the number of players in the industry increased tremendously. Today, there are over 45 registered companies in the dairy industry. After the registration of those companies nobody expected that the KCC would continue to get milk from farmers. So, this is one very important issue which has to be addressed. Failure to address this aspect, the problems facing the KCC will persist. In 1994/95 when the KCC made a loss of Kshs1.5 billion---

**Mr. Deputy Speaker:** Mr. Thirikwa, your time is up. Proceed, Mr. Kimkung!

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Thank you very much, Mr. Deputy Speaker, Sir. Before I contribute to the Motion, I would like to congratulate the Minister for Finance for the wonderful Budget he presented to this House. Also, I would like to congratulate him for the able manner in which he runs the Ministry.

We know very well that poverty cannot be alleviated in this country if we do not address the very pertinent issues. There are some districts which have been forgotten as far as agriculture is concerned, yet those districts can be the granary of this country. For example, Mount Elgon District has high agricultural potential, yet there are no reliable roads in the area. Even most of the onions that we use in this House come from Mount Elgon District. The nearest market to the district is Chwele Market, which is in Bungoma District. So, it is the people who live in Sirisia who benefit from the trading activities that take place at that market. The people of Mount Elgon District do not benefit. Therefore, if we are to alleviate poverty, we must address the issue of roads. We cannot construct wonderful roads in non-productive areas and leave the productive areas of this country, such as Mount Elgon District, without roads. In Mount Elgon District there are Nyayo Tea Zones Estates. It has been proved beyond reasonable doubt that tea does very well in the area. The area under tea production is 450 hectares.

*(Loud consultation)*

**Mr. Deputy Speaker:** Order! Order, hon. Gumo!

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Mr. Deputy Speaker, Sir, today, the tea yield in the area ranges between 2.7 million kilograms and 4.5 million kilograms per annum. This level of production warrants the putting up of a tea factory in the area. If put up, the factory will induce tea outgrowers to take tea farming more seriously. This will in the long run help to alleviate poverty. We do not have a single inch of tarmac road in Mount Elgon District, yet every section of the district can produce any crop. We grow tea, coffee, maize, and cashew-nuts in the drier areas. We grow almost every cash crop.

**[The Assistant Minister for Industrial Development]**

Mr. Deputy Speaker, Sir, the so-called Mount Elgon District Hospital does not look like a district hospital. The hospital comprises of just one or two buildings. We have tried very much to hold Harambees to improve it. I would like to ask the Minister concerned to do something about it, because that is a malaria and cholera prone area. When cholera-breaks out, there is nothing we can do. We cannot take our patients to hospital, because there are no roads, yet Mount Elgon is the most productive area in Kenya today; we can feed the entire country.

Mr. Deputy Speaker, Sir, we are demanding, as the people of Mt. Elgon, to be heard. I thank the Government because they are trying to see what they can do now.

Mr. Deputy Speaker, Sir, on the issue of constitutional review, on 29th December, 1997, we actuated our people to queuing from 6.00 a.m. to 6.00 p.m., in the evening, telling them we would be able to do this and that for them. Now, we want to go back to them and ask them what we can do. This is our job; they gave it to us! This Parliament is supreme, we change and make laws. It is our constitutional right to make and amend laws, create a Constitution and we have no business going to disturb those people who voted for us. They gave us this job and we must perform it. If you do not believe that we are capable in this House; any Member who does not believe that he is capable of representing his people should resign.

**Mr. Nguni:** On a point of order, Mr. Deputy Speaker, Sir. Could the hon. Member declare his position as concerns the Constitutional Review (Amendment) Act which was passed in Parliament?

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Mr. Deputy Speaker, Sir, I am only very glad to say that the constitutional review process should come back to Parliament because I am capable of representing my people's views.

**Mr. Katuku:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to mislead this

House, while when we met here and passed that Act, he was the same person in this House?

**Mr. Deputy Speaker:** Mr. Katuku, you have not raised any point of order! You are merely arguing with the Member on the Floor and taking his valuable time! Everybody here knows that we passed an Act, but that does not stop them from expressing an opinion contrary to what happened. After all, if the Attorney-General can bring up a new Bill to repeal an old Act, why can a Member not do so? Proceed, hon. Kimkung!

*(Applause)*

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Thank you very much, Mr. Deputy Speaker, Sir. Normally, I forgive such hon. Members.

There is a tendency here, and especially among my colleagues, that anybody who stands here and abuses the President of the Republic of Kenya, is regarded by my brothers on the other side as a hero. I am sorry about that!

**Mr. Deputy Speaker:** Be careful about what you say here!

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Mr. Deputy Speaker, Sir, I am very careful. There are some colleagues of mine who come here and abuse His Excellency the President---

**Mr. Deputy Speaker:** Order, hon. Kimkung! Do not refer to Members by innuendos!

**The Assistant Minister for Industrial Development** (Mr. Kimkung): Mr. Deputy Speaker, Sir, there are some Members who got away with it and I thought I would get away with it myself too!

*(Laughter)*

Very many people who preach against other Members of this House, more often than not, have no moral authority to speak, because they themselves are tainted so badly that if we were to produce documents, we would although that is not for now.

I want to touch on the liberalisation policy that was adopted in this country. When we talk about liberalisation, we must accuse the people who pushed us into liberalisation. First and foremost, the very people who are crying foul about liberalisation are the same people who pushed us into introducing it in this country. They were the people who went even to the streets; and I can quote the day. We do not name street vendors!

**The Assistant Minister for East African and Regional Co-operation** (Mr. J. D. Lotodo): Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to join other hon. Members who have contributed to this important Motion on the Financial statement.

Every Kenyan at this particular time would like to see the implementation of the Budget proposals which were read in this House. More often than not, I am afraid that whenever the Budget is read, implementation becomes a problem. I hope this particular Budget will not be the same as some other budgets which have been read before in this House. The Budget which was read in this House was well-balanced and I am sure, if implemented properly, it will work to the benefit of the people of Kenya.

I would like to touch on some few areas which I realised it was not proper for the Minister to have increased some taxes, an example of which is paraffin which is used by ordinary Kenyans. This item should have been exempted from taxation.

I would also like to thank the Government for coming up with a National Poverty Eradication Plan which starts from 1999 to the year 2015. It is so important that whenever a plan of such a magnitude is designed, we should ensure that we implement it rather than making just plain documents which we are unable to implement. Otherwise, this document is so nice when we look at it, because we know this document emanated from the commitment of the World Summit for Social Development in Copenhagen, Denmark in 1995. I am sure the objectives of this plan which is to eradicate poverty, try to provide health for all and also education to the people of the world, is a very important one. Also, we try to address the social integration of the disadvantaged people of this country.

Mr. Deputy Speaker, Sir, when we look at this plan, we get encouraged that the people of Kenya will really get a very good life in future, should we go as per the appropriate plan. We can see the causes of poverty which include high population strains on the meagre resources that we have. We know that on many occasions family planning methods have been highlighted by the Ministry concerned so as to reduce the population growth.

There is also slow growth in the economy of this country. We know one of the issues which we should try to encourage is to increase the growth of the economy of this country so as to sustain the average growth of population. Under this strength, family planning methods have been approved in this country and I am sure some of the methods can reduce population growth.

There is rampant HIV/AIDS which people should be very careful about it. I am sure that it is one of the diseases which have prevented people from being nocturnal any longer, because they fear for their lives. I would like

to call upon people to be very careful about their sexual lifestyles, so that they do not die from HIV/AIDS.

Another programme which is being addressed by the National Development Plan is afforestation, and, of course, environmental protection. That is very important because, in the recent past, we have seen desertification taking place in our country. Hence, most parts of our environment get destroyed. I would like to call upon the Ministry of Environmental Conservation to ensure that afforestation programmes are initiated in all the districts, like the establishment of forest nurseries.

Mr. Deputy Speaker, Sir, I would like to touch on security issues.

**Mr. Deputy Speaker:** Order! It is now time for the Minister to reply!

**The Minister for Finance** (Dr. Masakhalia): Mr. Deputy Speaker, Sir, I beg to reply. Let me first take this opportunity to thank all the hon. Members for their frank and constructive contributions, during their deliberations on the Financial Statement. I maintain that there is need for dialogue between the Government and all stakeholders on the objectives, policies and strategies that we should adopt in developing and managing our economy. The dialogue should result into a consensus amongst us. With consensus, we will address the problems that we face, in a concerted fashion and win the battle against poverty and unemployment.

In this regard, I would like to welcome and commend the cordial relations that have already emerged between my Ministry and the Finance Committee of this House. We have collectively sat together before the completion of the Budget exercise, and afterwards we did draw the Budget on the caution of the Committee. That is a very healthy sign on the consensus that was built.

Having said that, I would like to make a few observations on what I consider to be a wrong approach of categorising the Budget. I have heard remarks that the Budget was a "rich-man's Budget," or a "poor-man's Budget," while hon. Members debated on the Budget before the House. That, I maintain, is a wrong approach. The Budget before the House, let me hasten to say, has not been formulated on the basis of what has been in certain quarters considered a zero-sum game. In the zero-sum game, the winners are supposed to have everything and the losers receive nothing. On the contrary, the Budget is designed on the principle that all stakeholders in the nation need to be winners.

Let me elaborate on that point. The Budget's dominant theme was: "Economic Recovery for Sustainable Development." This theme implies that there are no losers. The policies designed to address economic recovery and sustainable development imply that we address problems and evolve solutions to them, to benefit all Kenyans. In that regard, I am referring to farmers, workers, professionals, entrepreneurs, investors and others. They should all be winners.

In the macro-economic policy area, I would like to recall that we have invoked the policy of a near-balance Budget. Expenditure should be matched by finances from revenues. In this particular Budget, we have a small deficit of 1.5 per cent. That, by all standards, is a modest deficit which is acceptable under our circumstances. Another macro-economic area which I would like to refer to, relates to the monetary policy. Here, we are adopting a prudent policy of very modest growth in money supply. We are targeting growth which is below 10 per cent, because we are mindful that, if we have excessive growth in money supply, we would have inflation, which would be counter-productive. It would have enabled us to achieve what we wanted to achieve.

The third area, which is the focus of attention, is infrastructure. I will have to say a little more on that. But, we have targeted sizeable increases on outlets to be made in the rehabilitation and reconstruction of our infrastructure because it is a prerequisite for our recovery. We have also directed our attention to the basic needs areas. It may not be very evident, but we have directed considerable resources to health, education and water supply.

Another local area which I would like to refer to relates to inter-trade sector. We are maintaining a policy of getting regimes which would let us achieve appropriate levels of interest. We are going to sustain the efforts to have interest rates come down, hopefully, to the lower two-digit levels.

The modules of macro-economic policy, which I have outlined before, are critical for achieving the goals of poverty alleviation and employment. They are major modules in our theme for this year's Budget.

Mr. Temporary Deputy Speaker, Sir, I now want to turn my attention briefly on taxation and legislation issues.

The Road Maintenance Levy on petrol, diesel and import duty on kerosene have attracted a lot of observations from hon. Members. First, I would like to say that, the maintenance of roads in Kenya will henceforth be funded from the Road Maintenance Levy Fund. For the new fiscal year, we want to have revenues above the 1998/99 revenue levels of Kshs1.4 billion. We want to have an additional Kshs1.4 billion, relative to what we had in 1998/99. There is, therefore, need to raise the levy rates. Because of this need, and because petroleum products are not subject to *advalorem* duties, we had to do something about raising the level of levy on petroleum products. Prices rise and we cannot even look after the price escalations without raising amounts of outlay that we would use in maintaining our roads. So, that explains the increments in the petroleum levy.

I should hasten to add that the tax burden that is caused by this levy has not been increased. The tax

deductions which have remained on VAT and Income Tax, more than compensate the levy on duty increases. An average employee paying Pay-as-You-Earn will benefit from both increases in personal relief and VAT adjustments. Overall, we have made estimates of the impact of the taxation measures; the levy on petrol, diesel and kerosene included. We have arrived at a figure of where the consumers will have a total figure of Kshs2.4 billion additional disposable income.

Many hon. Members made observations on the tax on kerosene and I would like to give them some briefing on what caused us to impose this little levy. In the past five years, the consumption of kerosene has more than doubled. Every year, industrial and commercial use of kerosene has been growing at a rate of 37 per cent annually.

Now, there is a price difference of Kshs9.8 per litre between kerosene and diesel. That has led to the substitution of diesel with kerosene. If we proceed at this level, this will cause an erosion in our revenue. So, we added Kshs1 on kerosene duty which, in fact, translates to only 5 per cent increase in the price of kerosene. So, that aspect should be taken into account. But because of the great feeling that this tax will have an adverse impact on the well-being of the poorer sections of the society, we are going to have a look at it, and see whether we can modify the level.

Mr. Deputy Speaker, Sir, another tax that has caused a lot of concern relates to the Presumptive Income Tax (PIT) from farm produce. Let me indicate that this tax was suspended only a year ago, principally because of the *El Nino* rains adverse impact on crop production. It is a tax which will be demanded on income on farm produce. Whether we have the 2 per cent PIT or not, income from farms is still subject to Income Tax. I should emphasise that point. But to make life easier for the farmers who are subject to taxation, we thought we should re-introduce the PIT. Let me indicate that there was a memorandum addressed to us by the Farmers' Association, dated 4th March, 1999. They complained that they were unable to cope with the quarterly estimates that were demanded by the Income Tax Department. They stated that they were subjected to harassment arising from penalties for non-payment of tax. The PIT has been re-introduced partly because we want to help the farmers in paying this tax. Let me indicate that part of that motivation on the part of the farmer, to request us to do something about streamlining and making it easy for them to pay taxes, arose from the fact that the Income Tax collectors demand that a profit and loss account should be submitted. For a farmer whose gross income is Kshs1 million, the PIT is only Kshs20,000. But if that farmer had to produce the profit and loss account, he would have to go to an accounting firm which would charge him Kshs30,000. So, there is rationale in introducing a simpler way of paying tax, by re-introducing the PIT, where the farmers will pay 2 per cent of their earnings. A farmer earning Kshs1 million will pay only Kshs20,000 instead of having an outlay of Kshs30,000 for the preparation of his profit and loss account, and then pay the same tax in the end.

Mr. Deputy Speaker, Sir, time is not on my side. First, let me deal with the banking and financial sector. There have been reforms there, raising the threshold for the core capital to a high level. We have modified the Banking Act; to enhance the capability of the Central Bank in supervising the banking sector. We have also introduced some changes in the Pensions Act. We will be extending the period for phasing out certificates of deposits. All these have been done to bring better health to that sector.

On good governance, Mr. Deputy Speaker, Sir, modalities for surveillance of projects and programme implementation have been formulated and are adequately covered in the Budget Speech. These address the issues of graft and corruption that lead to ineptitude in the use of public resources. We will also support the Kenya Anti-Corruption Authority (KACA) and develop it into a strong institution to deal with all cases of corruption.

Mr. Deputy Speaker, Sir, let me move on and make a few remarks on the expenditure side. I did say earlier that we will be addressing extensively the question of the poor infrastructure. In total, we will be outlaying Kshs18.7 billion on the roads sector; Kshs3.3 billion under the *El Nino* Programme, Kshs4.3 billion to the Ministry of Works and Housing through Road Maintenance Levy Fund and Kshs3.1 billion through the Ministry of Local Authorities.

Mr. Speaker, Sir, to streamline the payments of Government debts to persons who have delivered services and to contractors who have executed projects, we have put in place the modality of paying the pending bills. The task force assigned to that task has evaluated that these will amount to Kshs14 billion. About Kshs940 million was covered in the Revised Estimates; the balance of Kshs10.5 billion is included in the 1999/2000 Budget. Passing quickly to other expenditure areas, the health sector has an allocation of Kshs1.8 billion as against Kshs1.5 billion in the previous fiscal year.

I trust that hon. Members did take note of those measures we have taken on taxation, duty and VAT to try and prop up the agricultural sector, and to encourage Kenyans to eat what they produce and not what they import.

Mr. Deputy Speaker, Sir, some observations were made by hon. Members on our inability to

implement the various economic measures which were covered in the previous Budget Speech. I am happy to report to this House that we made some progress even here; 72 direct telephone lines were terminated, while 765 level nine line connections were surrendered. I am also happy to inform this House that a number of vehicles were surrendered during the previous Financial Year.

On security, we have heeded the concern of the whole country on enhancing security. We have allocated Kshs207 million, or 3.7 per cent of the total expenditure to enhance our security. In the energy sector, we will add 185 megawatts on the grid through Gitaru Three and Kipevu Two. I hope that this will make the power shortage story something of the past.

We are seriously addressing the problem of poverty alleviation. We are mindful about the need to improve the living standards of our people. In this regard, I would like to indicate that the Budget has increased its allocation to school equipment, feeding programmes and bursaries for children from poor families from the previous year's Kshs868 million to Kshs954 million in the 1999/2000 Fiscal Year. We have voted Kshs20 million to the Poverty Eradication Trust allocation. The donors have given us Kshs1.8 billion in this area.

I would like to reconfirm the commitment of the Government to implement all the policies and programmes in this year's Budget, and we need the support of hon. Members and the entire country.

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

*(Applause)*

*(Question put and agreed to)*

#### ADJOURNMENT

**Mr. Deputy Speaker:** Hon. Members, it is now time for the interruption of our business. The House, therefore, stands adjourned until tomorrow, Thursday, 24th June, 1999 at 2.30 p.m.

The House rose at 6.30 p.m.