

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 27th June, 1996

The House met at 2.30 p.m.

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

## PRAYERS

## PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Agro-Chemical and Food Company Limited for the year ended 30th June, 1995, and the Certificate thereon by the Auditor-General (Corporations)

*(By the Minister for Labour and Manpower Development on behalf of the Minister for Energy)*

Annual Report and Accounts of Kenya Forestry Research Institute for the year ended 30th June, 1993, and the Certificate thereon by the Auditor-General (Corporations)

*(By the Minister for Labour and Manpower  
Development on behalf of the Minister for Research,  
Technical Training and Technology)*

Annual Report and Accounts of Kenya National Library Services for the year ended 30th June, 1994, and the Certificate thereon by the Auditor-General (Corporations)

*(By the Minister for Labour and Manpower  
Development on behalf of the Minister for Culture  
and Social Services)*

Annual Report and Accounts of National Museums of Kenya for the year ended 30th June, 1995, and the Certificate thereon by the Auditor-General (Corporations)

*(By the Minister for Labour and Manpower  
Development on behalf of the Minister for Home  
Affairs and National Heritage)*

## NOTICE OF MOTION

### APPROVAL OF TAXATION MEASURES

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

THAT, the proposals relating to:-

- (a) Customs Tariff
- (b) Excise Duties
- (c) Value Added Tax
- (d) Income Tax
- (e) Miscellaneous Fees and Taxes contained in the Financial Statement for the year of Account 1996/97 be approved.

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

## ORAL ANSWERS TO QUESTIONS

*Question No.558*

### EXEMPTION FROM STATE CORPORATIONS ACT

**Mr. Achola** asked the Minister of State, Office of the President what the rationale is in exempting certain state corporations e.g. National Social Security Fund, Kenya Commercial Bank, National Bank of Kenya, Kenya Wildlife Service from both the State Corporations Act (Cap.446) and Exchequer and Audit Act (Cap.421).

**The Minister of State, Office of the President** (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, I have just sent for the answer.

*Question No. 597*

### RECONSTRUCTION OF LANGATA ROAD

**Mr. Mbeo**, on behalf of **Mr. Raila**, asked the Minister for Local Government when the Langata Road will be reconstructed into a dual carriage highway to ease perennial traffic congestion along this road.

**The Assistant Minister for Local Government** (Dr. Wameyo): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

The construction is expected to start before the end of the year when the tendering process is expected to be finalized.

**Mr. Mbeo:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister confirm to this House when the dual carriage way of Langata Road will be done?

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, I have already answered that Question, and if my colleague did not get it, I will repeat. The construction is expected to start before the end of the year when the tendering process is expected to be finalized.

**Mr. Shikuku:** Is the Assistant Minister aware that, not long ago the issue of Langata Road was raised in this House, and we were told that the delay in the construction of this dual carriage way was because one of the Ministers in this Government had constructed a petrol station on the road? Could he tell this House whether he is going to demolish those two petrol stations on the road before he can talk of tendering?

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, that is very good information, but I was not aware of it.

**Prof. Mzee:** Mr. Temporary Deputy Speaker, Sir, can the Assistant Minister tell us how much money has been set aside for the construction of this dual carriage way, and whether is it still available?

**Dr. Wameyo:** The construction will be funded by the World Bank and, therefore, the money is available.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): He asked you how much money will be spent in the construction of this dual carriage way.

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, I do not have that figure of how much money is available.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The Assistant Minister has been asked a Question and all he can say is that this road is going to be done yet he does not know how much money is going to be spent. Is that in order?

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): But Dr. Lwali-Oyondi, if they are tendering the project, and he discloses the amount here he will be prejudicing the tender.

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I am seeking your guidance. What do you do to an Assistant Minister who, without any reasonable reason, comes out and tells the House what appears to me to be untruths? The matter of this petrol station that is situated on this road was raised in this House

and yet the Assistant Minister says that this is the first time he is hearing of it. Now, is it in order for a hon. Member who is an Assistant Minister and one who reads his HANSARD to come and behave the way he is doing? He knows that the road cannot be constructed into a dual carriage highway because of these petrol stations and one of them belongs to a Cabinet Minister in this Government.

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, I did say that I was not aware of that. I have driven on many roads in this country but I have never found a road where there is a petrol station in the middle of the road.

**Mr. Temporary Deputy Speaker (Mr. Wetangula):** Order! A vague question attracts a vague answer. Next Question!

*Question No. 228*

PAYMENT OF COUNCILLORS ALLOWANCES

**Mr. Munyasia** asked the Minister for Local Government:-

- (a) why Sirisia Urban Councillors have not been paid their allowances since 1993; and
- (b) what steps the Ministry is taking to correct this situation.

**The Assistant Minister for Local Government (Dr. Wameyo):** Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Sirisia Urban Councillors have been paid up to and including September, 1994. The balance due to be paid is Kshs556,500.00

(b) The Council is making efforts to clear unpaid dues by intensifying revenue collection.

**Mr. Munyasia:** Mr. Temporary Deputy Speaker, Sir, I do not know the councils that he is referring to, where he has intensified efforts of revenue collection. Is it the Bungoma Council under which Sirisia Urban Council falls, and which collects the cess from the farmers of Sirisia Urban Council area, or is it Sirisia Urban Council itself? This is so because he does not even have officers to collect the revenue.

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, it is the parent council. As of now, the Bungoma County Council has offered to give a grant of K£5000 to Sirisia Urban Council to help in paying the allowances with the approval of the Ministry.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I wish to ask the Assistant Minister since councillors in this country are the most underpaid in the world, how soon is he going to ensure that emoluments of all councillors in all local authorities are reviewed so that they can perform their duties of delivering services to their people?

**Dr. Wameyo:** Mr. Temporary Deputy Speaker, Sir, I am not aware that they are the lowest paid people in world. Therefore, the question does not arise.

*Question No. 553*

COMPLETION OF CHEMOLINGOT HEALTH CENTRE

**Mr. J.D. Lotodo** asked the Minister for Health:-

- (a) when the Ministry does expect to complete the construction of Chemolingot Health Centre, which has stalled for over ten (10) years, despite huge allocation of funds, due to the inefficiency of the contractor; and,
- (b) what plans the Ministry does have to upgrade Chemolingot Health Centre to a Sub-District or District Hospital, given the fact that this health facility serves Nginyang, Tangulbei and Molowa Divisions in Baringo East Constituency.

**The Assistant Minister for Health (Mr. Criticos):** Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) My Ministry expects to complete construction of Chemolingot Health Centre by 30th July, 1996.

(b) Proposals to upgrade Chemolingot Health Centre have been made by the District Health Management Team, as recommended by the District Health Management Board. As soon as the construction of the health centre is completed, and the necessary equipment provided, the health facility will be considered for upgrading to a sub-district hospital with approval of the relevant District Development Committee (DDC).

**Mr. J.D. Lotodo:** Mr. Temporary Deputy Speaker, Sir, while I appreciate the answer given by the Assistant Minister, and given the fact that there are diseases in this country like malaria, cholera, meningitis and

yellow fever, could the Assistant Minister tell this House, how much money has been used to construct that hospital since it was initiated? It has taken ten year to complete!

**Mr. Criticos:** Mr. Temporary Deputy Speaker, Sir, the total value of the construction of the hospital was Kshs10,043,369.10. However, only Kshs7,743,273.35 was approved. These approved funds were also delayed.

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, can the Assistant Minister explain to this House what policy the Ministry has in posting doctors to Sub-District hospitals? This is because, many health centres have been promoted to Sub-District status without necessarily enjoying any new services that the so-called sub-district status should be accorded.

**Mr. Criticos:** Mr. Temporary Deputy Speaker, Sir, I insist that this is a different question from what I had been asked. The Question was concerning a particular health centre. If the hon. Member wants to bring another Question, I will be happy to answer it.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Hon. Criticos, that is not fair. The hon. Member is only asking about your policy of posting doctors to Sub-District hospitals. How can you fail to answer that question?

**Mr. Criticos:** Mr. Temporary Deputy Speaker, Sir, I obviously misunderstood the hon. Members's question. Of course, we have a policy of posting doctors and clinical officers and nurses.

**Mr. Moiben:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister make sure that an ambulance is provided to this hospital. This is because the distance from Chemolingot Health Centre to Tangulbei is almost 40 kilometres. From Chemolingot to Molowo is another 40 kilometres. Can he make sure that there is an ambulance to help the people?

**Mr. Criticos:** Mr. Temporary Deputy Speaker, Sir, I cannot assure the House that there will be an ambulance for this particular health centre, but in the District Hospital, we do have vehicles to supplement health centres. That is done all over the country.

*Question No. 270*

UTILISATION OF HOSPITAL FUND

**Mr. Ruhiu** asked the Minister for Health how the contributions to the National Hospital Insurance Fund (NHIF) and the interest accrued are utilised.

**The Minister for Health** (Mr. Angatia): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

The contributions of members to the NHIF and the accrued interest and on contingent results are invested in Kenya Government Treasury Bills and fixed deposits accounts in banking institutions which are Government owned, and which have proved that they are functioning efficiently.

These funds are utilised partly to pay benefits to members who have provided claims from hospitals which have been authorised to be refunded by NHIF.

Secondly, they are utilised to meet the administrative expenses and staff emoluments of the Fund. In addition, there are reserves which are kept at certain levels so that they can meet any claims which may occur during a period of four to six months in advance.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, this Fund, like the NSSF, is for the welfare, and especially health welfare of the Kenyan working population including hon. Members of Parliament here. This Fund have in the past, especially last year, been misused by unscrupulous doctors and health institutions. Like NSSF where dubious transactions have taken place, NHIF has now been completely looted.

**Mr. Temporary Deputy Speaker** (Mr. Wetangula): Ask you question, hon. Ruhiu. You are now making a speech!

**Mr. Ruhiu:** Can the Minister tell this House how much has been invested so far?

**Mr. Angatia:** Mr. Temporary Deputy Speaker, Sir, when I am asked a specific question on how much money has been invested, I will tell him. But at the moment the total claims that we have collected so far, for example, in 1994/95 amounted to Kshs1,152,171,640.

**Mr. Ruhiu:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I want to know how much of these funds have been invested and where?

**Mr. Angatia:** Mr. Temporary Deputy Speaker, Sir, he has to bring another Question, so that I can go and get the figures because, as far as I am concerned, the investments of the contributions are done---

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

**The Temporary Deputy Speaker** (Mr. Wetangula): But he is already on a point of order!

**Mr. Angatia:** Mr. Temporary Deputy Speaker, Sir, the question is asking about the utilisation of contributions of NHIF and the accrued interest. I have already explained how they are utilised. I can read the amounts that are used on every item.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The Minister for Health is engaging in something called--- The logic does not follow. If he is asked how the funds are utilised, that includes where they are invested. Investment is also utility in the process. Why is he denying the obvious?

**Mr. Angatia:** Mr. Temporary Deputy Speaker, Sir, the surplus funds which are held in reserve accounts were deposited as follows: In 1992/93 Kshs137,862,457; 1993/94 Kshs154,277,777 and 1994/95 Kshs80,290,000. This last amount is not yet audited. The main bankers for the Fund are Kenya Commercial Bank and the National Bank of Kenya. There is an amount of Kshs400 million, which was invested many years ago in banks that have collapsed or that were not performing well. We know what has happened to banks which collapsed.

**Dr. Lwali-Oyondi:** Mr. Temporary Deputy Speaker, Sir, the Minister has just said that Kshs400 million disappeared in the sunken banks. We understand that at the moment the Government is trying to recover money from the assets of the various collapsed banks. How much money belonging to the NHIF, has been recovered?

**Mr. Angatia:** Mr. Temporary Deputy Speaker, Sir, we have not yet recovered any money from the banks which collapsed.

**Mr. Shikuku:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. This is a very interesting revelation: Kshs400 million just disappeared into thin air! Could he tell us which---

**The Temporary Deputy Speaker** (Mr. Wetangula): He did not say that. He said the money was invested in banks that collapsed.

**Mr. Shikuku:** Yes, the banks collapsed, but the common man has not enjoyed services in return for the money that was taken from him. Would the Minister tell the House which banks these are and what he is intending to do in order to recover this money? Wananchi, including those in his own constituency, are dying because of lack of medical facilities.

**Mr. Angatia:** All people who make any claims at the moment are paid. So, we have no problem with paying current claims.

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Minister, he has asked you which banks collapsed.

**Mr. Angatia:** But earlier on he insinuated that wananchi are suffering and are not making medical claims. So, I am just telling him that that is not the case.

As for the collapsed banks, the Consolidated Bank of Kenya, which is recovering money from those banks has not yet submitted to me a list of the banks. If the House wants it, I can bring the list next week.

*Question No. 594*

RURAL POWER PROGRAMME IN TANA RIVER

**Mr. Kofa** asked the Minister for Energy:-

- (a) whether he is aware that the Ministry promised to start a rural electrification programme in Tana River District by the beginning of 1994; and,
- (b) what has delayed the exercise and when it will start.

**The Assistant Minister for Energy** (Mr. Marita): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the Ministry promised to start a rural electrification programme in Tana River District by 1994.

(b) Rural electrification for Tana River District has been delayed by the non-availability of funds. A feasibility study for the extension of 132 kilo volts overhead line, together with associated network from Kilifi to Garsen, Hola, Bura and Naningi has been completed. My Ministry is currently looking for donors to implement this---

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I cannot follow anything and yet I want to contribute. Can the Assistant Minister read his reply properly?

**The Assistant Minister for Energy** (Mr. Marita): Mr. Temporary Deputy Speaker, Sir, my Ministry is currently looking for donor funds to implement this project, among others. The estimated cost of the project is

Kshs3.5 billion.

**Mr. Kofa:** Mr. Temporary Deputy Speaker, Sir, before I ask any supplementary question I would like the Assistant Minister to clear his contradiction. In part (a) he said: "I am not aware that the Ministry promised to start a rural electrification programme..." Then in part (b) he said that he agrees that there is such a programme and that the rural electrification programme was delayed because of this and that. Could he clear this contradiction before I ask a supplementary question?

**Mr. Marita:** Mr. Temporary Deputy Speaker, Sir, I have already said that we have done a feasibility study and even estimated the cost of the project. I do not see the reason why---

**Mr. Mulusya:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Kofa wants the Assistant Minister to clear his contradiction. In respect of part (a) of the Question he should say whether he is aware of the promise made by his Ministry, or whether he still insists that he is not aware of it. After that he can talk about whatever feasibility studies he has done.

**Mr. Marita:** Mr. Temporary Deputy Speaker, Sir, I have already told the House that I am not aware of that promise. But I have said that we have done a feasibility study and estimated the cost of the project. If the amount of money we have estimated as the cost of the project becomes available, then the project will be implemented.

**Mr. Anyona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I think we are in a lot of trouble in this House. Ministers come here with answers that have been provided by civil servants, who are not interested in this House getting proper answers. I want to seek your guidance: Is it really in order for a Minister to come to this House and say that he is not aware of a matter which has been submitted to him through a Parliamentary Question? Even if he was not aware of the matter, he became aware of it after he received the Question. Should he still come back to this House and tell us that he is not aware of the matter? Can we get some guidance from the Chair so that we can get sensible answers from this Government? I am told that there are 2,000 Questions pending. This has happened simply because we are getting very funny answers from this Government. How can somebody say that he is not aware of a matter when he has been told about it?

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Anyona, I do not know what guidance you want from the Chair. The Chair only expects Ministers to give competent, convincing and accurate answers.

**Mr. Marita:** Mr. Temporary Deputy Speaker, Sir, if I can---

**The Temporary Deputy Speaker** (Mr. Wetangu): Mr. Marita, which question are you answering?

**Mr. Kofa:** Mr. Temporary Deputy Speaker, Sir, in June, 1994 the late hon. John Musembi Kyalo said in this House: "However, the fact is that this project will take longer. But the most important thing is that the project will start during the 1995/96 Financial Year". This is what the Assistant Minister's predecessor said, and yet the Assistant Minister is saying he is not aware of it!

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I think hon. Kofa was referring to the HANSARD. If what he has in his hands is the HANSARD then that is a serious matter here. He should lay it on the Table. The Assistant Minister is saying that he is not aware of what is contained in it!

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Assistant Minister, what do you say to that?

**Mr. Marita:** Mr. Temporary Deputy Speaker, Sir, if the Member was aware of the answer to that question then he should not have asked the Question.

**Mr. Magwaga:** On a point of order, Mr. Temporary Deputy Speaker, Sir. These Ministers should definitely be serious with what they are answering in the House. We do not want it to look [Mr. Magwaga] as if the Ministers are incapable. Why should the Assistant Minister say, that the Member should not have asked that Question? The Member is asking why the Ministry has not put the Rural Electrification Programme into operation as per his predecessor's suggestion? Is he in order?

**The Temporary Deputy Speaker** (Mr. Wetangula): Order! Order! Mr. Assistant Minister, you will have to go back, look at the HANSARD and bring a competent and convincing answer. Mr. Assistant Minister, you should bring a competent answer on Wednesday next week.

*Question No.535*

TENDERING FOR DADAAB ROAD PROJECT

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

(a) whether competitive tendering system was applied in awarding the Kshs36 million Dadaab Road project to M/S Coastal Engineering; and

(b) if the answer to "a" above is in the affirmative, when was the tender advertised.

**The Minister for Public Works and Housing** (Prof. Ng'eno): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Yes, competitive tendering was applied in awarding Kshs36 million Garissa-Dadaab Road Project to M/S Coastal Kenya Enterprises

(b) The tender was awarded by the Garissa District Tender Board after calling for competitive quotations and receiving bids from five contractors through its Minute No.9/10/94-95 of 24th March, 1995. Coastal Kenya Enterprises who were the lowest bidder won the contract at the sum of Kshs30,322,687.50. After this work was executed, it was found necessary to gravel a further two kilometres at a cost of Kshs6 million. These additional works were awarded to the same contractor who was on site by Garissa District Tender Board through its Minute No.5/6/95-96 of 24th November, 1995.

**Mr. Farah:** Mr. Temporary Deputy Speaker, Sir, we went to survey this road with the Minister himself Prof. Ng'eno. Although they did not inform any of the elected Members of Parliament in the District that, the Minister was going to inspect the road, but we found about it and I came there. In view of the answer given by the Minister, is he aware that actually the contractor was nominated by the Ministry headquarters here and he was sent to the District Tender Board to ratify his nomination and that no public advertisement in the newspapers was ever done? Consequently, it is not a competitive bid. Is the Minister aware of that?

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, what I am aware of, is that tender documents were given to the following 10 contractors: Krishan Behal, Komicon Ltd, Blue Line Construction Company, Kabui Toko---

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I hope you heard the Minister the second time round saying that the tenders were advertised. He has started his sentence by saying, "the tender documents were given to the following." "Given", so there was no advertising. Which one is true?

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, what I am saying is that the whole idea of competitiveness means that not one or two people are called and given the tender in a secret manner. There were a lot of contractors who were invited.

**Mr. Achieng-Oneko:** On a point of order, Mr. Temporary Deputy Speaker, Sir. This is on that same question. Section (b) of that Question is asking when the tender was advertised. We would like to know when the tender was advertised.

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, I am saying that the tender documents were given. This has been the practice. I am not aware that they were advertised as such, but they were given and 10 contractors were given tender documents and five returned.

**Mr. Anyona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. According to the procedures of Government for procurement, it is mandatory that tenders be advertised. The Minister has now admitted that these were not advertised. At least he does not know and he is supposed to know if it was advertised. In that case, this particular tender is illegal. Will the Minister now comply with the law, cancel that tender and advertise a new one?

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, first of all let me say that the list of qualified contractors is kept in the Ministry. Nobody comes from outside who is not qualified to undertake works. Now, occasionally and not only occasionally, very often, if there is an urgency, and it is very urgent to do a job, contractors are supplied with tender documents. There is what is called Engineer's Estimates. If the contractor comes within the Engineer's Estimates, sometimes a little bit low, sometimes a little bit above, then the competitiveness of the tender system would have been met and that is what is of interest to me.

**Mr. Mutahi:** Mr. Temporary Deputy Speaker, Sir, we are being told here that the Ministry has a list of all the contractors and engineers in their file.

**The Temporary Deputy Speaker** (Mr. Wetangula): He did not say "all", he said he has a list.

**Mr. Mutahi:** Yes, he has a list and that is where he picks a few names to give out the tender documents. What happens to those new qualified contractors who would have wished to apply for the same tender and they are not in that old list?

**Prof. Ng'eno:** First of all, Mr. Temporary Deputy Speaker, Sir, we are talking of an area that is so far away. Actually, no contractors are there.

**An hon. Member:** That is an excuse!

**Prof. Ng'eno:** No, it is not an excuse. One of the reasons why the cost of constructing that road is fairly high, is because there is no contractor nearby and secondly there are so many other problems including security problems.

**Dr. Otieno-Kopiyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The Minister is saying far away from where? I thought we are in Kenya. He said he it is so far away. From where? From his home in Kericho, Nairobi or from North Eastern?

**Prof. Ng'eno:** I am talking about Garissa. Most contractors are not near Garissa and I am saying if you look at the bids given, Coastal Kenya which gave---

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Minister, he only asked you, it is far from where? Why are you going into so many other stories?

**Prof. Ng'eno:** I have already said far from Garissa.

**The Temporary Deputy Speaker** (Mr. Wetangula): That is right! Mr. Farah the last one!

**Mr. Farah:** Mr. Temporary Deputy Speaker, Sir, it is very sad for the Minister to become party to a conspiracy to steal public money. I went with him, there was no engineer to represent the contractor on site, the resident engineer from the Ministry was not there, the PS and the engineers from the headquarters were the ones who were trying to answer our questions. When we found out that the job done was shoddy by both him, Minister Hussein and myself, the PS insulted me in front of him.

Mr. Temporary Deputy Speaker, Sir, as it is, we have a local contractor who is doing a job bigger than this in the province. Can the Minister now undertake to send a team of independent consultants to evaluate that job because the Ministry did a similar job much better for only Kshs3 million? This road is already washed away.

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, as the Member says, I was there personally and I saw the work being undertaken. I could see that the type of soil there; black cotton soil, had to be removed. A lot of soil had to be brought from outside. Water has to be fetched from 47 to 57 kilometres away. I was convinced and satisfied myself that a good job was being done and the cost is very near the engineer's estimates. The cost of Kshs30 million is very close to the Kshs28 million of the engineer's estimates, so, I was satisfied. What I must say is that, the Member has, in fact, an interest in this issue.

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. One serious thing is that it has been revealed here in this House that an hon. Member of Parliament was either assaulted or insulted by the Permanent Secretary, and this is a very common thing in this country. The other day the hon. Minister was slapped by a Permanent Secretary. First of all, we would like to know the name of this Permanent Secretary. What steps is the Minister taking to punish this Permanent Secretary?

**Prof. Ng'eno:** Mr. Temporary Deputy Speaker, Sir, I was there with the hon. Member throughout and he did not inform me there and then that he had been slapped or insulted.

**The Temporary Deputy Speaker** (Mr. Wetangula): Next Question, Mr. Ndzai.

*Question No.529*

PAYMENT OF WILDLIFE COMPENSATION

**Mr. Ndzai** asked the Minister for Tourism and Wildlife what is delaying the compensation of Messrs: Harambee Kambi - Kshs15,000; Kenya Mwilo - Kshs30,000 and Wilson Kalama - Kshs15,000, as recommended by the District Wildlife Compensation Committee, Kilifi, on 25th September, 1995, as per minute 3/9/95.

**The Assistant Minister for Tourism and Wildlife** (Kisiero): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

Messrs: Harambee Kambi, Kenya Mwilo and Wilson Kalama have not been compensated because the recommendations on the compensation by the District Wildlife Compensation Committee were received by my Ministry recently at a time when funds had been exhausted.

My Ministry is, however, making arrangements to settle the claims during 1996/97 financial year.

**Mr. ole Tuya:** On a point of order, Mr. Temporary Deputy Speaker, Sir. This is very serious. These claims were made long time ago, and the Ministry should be very serious and tell us where the money is because these people are suffering.

**Mr. Kisiero:** Mr. Temporary Deputy Speaker, Sir, the District Wildlife Compensation [Mr. Kisiero] Committee met on 29th September, 1995. The decisions of the committee were transmitted to the Ministry this year and by which time the Ministry had exhausted the funds. But, as I have already said, as soon as this financial year ends, we shall pay this compensation.

**Mr. Rai:** Mr. Temporary Deputy Speaker, Sir, I would like to get clarification from the Assistant

Minister concerning the answer he has just given in this House. He says that there was a meeting on 25th September, 1995, but the meeting, as far as I know, was on 7th September, 1995, and the minutes were given to the Director of Kenya Wildlife Services on 25th September, 1995. How long did the minutes take to reach Nairobi if they were sent by post for him to come and say they were received late? When did they receive them?

**Mr. Kisiero:** Mr. Temporary Deputy Speaker, Sir, we received that information in March this year. So, we do not know what caused the delay for the information to reach us.

**Temporary Deputy Speaker** (Mr. Wetangula): Next Question.

*Question No. 131*

PAYMENT OF WORKMAN'S COMPENSATION

**Bishop Kimani** asked the Minister for Labour and Manpower Development:-

(a) why Mr. John Kibuku Mbothe, P/No.206948/20, has not been paid his workman's compensation after all the documents had been forwarded to the Ministry; and,

(a) when would Mr. Mbothe be paid his dues.

**The Minister for Labour and Manpower Development** (Mr. Masinde): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

Mr. John Mbothe was paid his workman's compensation dues in July 1994.

**Bishop Kimani:** Mr. Temporary Deputy Speaker, Sir, arising from the answer given by the Minister, Mr. John Kibuku Mbothe is a police officer and when he was injured while on duty sustained very serious injuries.

Could the Minister tell us how much was he paid because the amount he has given me is very little, Kshs36,000 and he has spent over that amount. Could he tell us how much he was paid? And if there is more dues to be paid? And why it has taken the Government so long to compensate him?

**Mr. Masinde:** Mr. Temporary Deputy Speaker, Sir, indeed, Mr. Mbothe got hurt while on duty in 1991. He was admitted at Narok Hospital and when they felt that he was much better--- He was assessed by the Provincial Medical Officer, Nakuru, as his permanent incapacity being 20 per cent. On that assessment, he was paid Kshs36,420 through cheque No.198154 of 15th July, 1994.

**The Temporary Deputy Speaker** (Mr. Wetangula): Shall we go back to Hon. Achola's Question for the second time?

*Question No.558*

EXEMPTION FROM STATE CORPORATIONS ACT

**Mr. Achola** asked the Minister of State, Office of the President, what was the rationale in exempting certain state corporations e.g. National Social Security Fund, Kenya Commercial Bank, National Bank of Kenya, Kenya Wildlife Service from both the State Corporations Act(Cap.446) and Exchequer and Audit Act(Cap.421)

**The Assistant Minister, Office of the President** (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, I beg to apologize for the lateness of the answer and beg to reply.

That section (2b) of State Corporations (Cap.446) empowers His Excellency the President to declare anybody corporate established by or under any written law not to be a State Corporation for the purposes of the Act. It is through these powers that the State Corporations are given exemptions for various reasons.

Two, the major reasons why some State Corporations receive exemptions from provisions of the State Corporations Act are as follows:-

- (a) To allow a State Corporation to operate strictly on commercial terms in order to generate revenue.
- (b) To enable a State Corporation compete effectively with the private firms in the market place.
- (c) To enable a State Corporation to develop and implement terms and conditions of service which would attract and retain required, but scarce high-level manpower.
- (d) To create a transitional---

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is he in order just to state that the President has these powers? The Question is what is the rationale, not about the power, this is total abuse of power. These are the thieves of this State and he is not giving us the rationale.

**Mr. Sunkuli:** Mr. Deputy Speaker, Sir, I have just been stating the rationale, and I was on "c" and "d." If the hon. Member cannot keep awake, is it my problem? I have been reading a long answer here---

**Mr. Mulusya:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Assistant Minister in order to impute improper motive on hon. Prof. Mzee who must have been awake for him to be able to hear the answer? He is saying that he cannot keep awake. Is he in order? Are you in order?

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, (c) to enable a State Corporation to develop---

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I thought the hon. Member had made his point asking the hon. Assistant Minister through the Chair. Was he in order to say, "are you in order" addressing directly the Minister?

**The Temporary Deputy Speaker** (Mr. Wetangula): First of all, the point of order on which he stood was totally frivolous and that is why I did not even respond to it.

**The Assistant Minister, Office of the President** (Mr. Sunkuli):

(e) To create a transitional phase which will lead to the privatisation of a State Corporation. After exemptions from the State Corporations Act, the Corporations still continue to operate under their own enabling Act and the Exchequer and Audit Act, both of which enable the Government to continue overseeing public interest in the Corporations.

Lastly, there is no provision in the law that allows exemption of State Corporations from the Exchequer and Audit Act (Cap.421). As such, no exemption has been applied for, or given.

**Mr. Achola:** Thank you, Mr. Temporary Deputy Speaker, Sir. I think that answer from the Assistant Minister is very dishonest. Could he confirm or deny that the real reason why the Government has been asking for these exemptions is for them to allow these Corporations to be used as granaries for looting public funds? That is the only reason why they have been doing this. A good example is Kenya National Assurance Company (KNAC). How come we had a solid KNAC, working beautifully, but now it has come to a complete halt without anybody ever discussing the same in this House?

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, I deny.

**Mr. Nyagah:** Mr. Temporary Deputy Speaker, Sir, this Assistant Minister is very fond of defending the Government.

**The Temporary Deputy Speaker** (Mr. Wetangula): Just as a Question, we do not have much time for speeches.

**Mr. Nyagah:** Mr. Temporary Deputy Speaker, Sir, I know that. But I suppose I have to build something so that Kenyans are aware of what is happening. But I will ask a Question directly. One of the conditions we have been given as pertaining to the reasons why, in September, 1994, this exemption was given is, so that these parastatals can create money. Can the Assistant Minister explain as to the position to the KNAC, which is exempted from this and the National Bank of Kenya (NBK)? The KNAC has been declared insolvent and cannot operation, while the NBK is being sold. Can the Assistant Minister explain that position? Not to mention what is happening in National Social Security Fund (NSSF) where Kshs11 billion is being hidden so that a lot of you, in big positions, can "eat" this money.

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, the particular question he has raised is not related to this one. If he wishes to discuss the KNAC, he can put a specific Question and I will answer it.

**Mr. Maore:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to evade a very legitimate Question about these parastatals? An example of the KNAC was given, which has been "eaten" by KANU and it is down now. Secondly---

**The Temporary Deputy Speaker** (Mr. Wetangula): How do you "eat" a company"?

**Mr. Maore:** Mr. Temporary Deputy Speaker, Sir, they stole the money there. My next point about the NBK is in the Question. This bank nearly came down to its knees until they were requesting Kshs3.6 billion in 1993 and yet the Assistant Minister is saying that it is not in the Question. Can he explain how the bank nearly came to its knees, yet it is being insulated from the KANU thieves?

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, the House will note that this a question on policy. I have stated the policy relating to why we exempt companies. The particular question asked by hon. Maore needs to be stated as a specific question to be answered separately.

**Mr. Obwocha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Can the Assistant Minister tell this House how much money the Government pumped into the National Bank of Kenya in April, 1993 and whether those are not the reasons why they exempted National Bank of Kenya so that this House, through the Public Accounts Committee (PAC), the watchdog of this House, does not examine the accounts of National Bank of Kenya?

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, exemption does not mean exemption from the Exchequer and Audit Act. We can still examine the public interest in those Corporations.

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

**The Temporary Deputy Speaker** (Mr. Wetangula): There is a point of order, from hon. Anyona.

*(Several Members stood on their feet)*

I have given the Floor to hon. Anyona.

**Mr. Anyona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. There is a very serious point of legal contradiction in what the Assistant Minister is saying. The Exchequer and Audit Act and the State Corporations Act have exactly the same provision regarding the auditing of funds of these State Corporations. If you exempt a State Corporation---

**The Temporary Deputy Speaker** (Mr. Wetangula): You rose on a point of order, now you are addressing---

**Mr. Anyona:** Mr. Temporary Deputy Speaker, Sir, is he in order to say this? I am trying to demonstrate that he is not in order. If you exempt a State Corporation from the State Corporations Act, the effect is that the accounts of that State Corporation do not come before this Parliament, and yet he is saying that the Exchequer and Audit Act requires that those accounts be audited and be brought here. Is he in order? What are they going to do about that legal contradiction?

**Mr. Sunkuli:** Mr. Temporary Deputy Speaker, Sir, I have expressed my opinion about this matter. If it differs with that of other hon. Members, that is my opinion.

*(Several Members stood up on their feet)*

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

**Hon. Members:** He has not replied!

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Members! Order, Mr. Achola. You all realise that we must end Question time by 3.30 p.m. Those hon. Members with Questions by Private Notice, you will have to bear with us; your Questions will be answered on Tuesday afternoon.

*(Mr. Anyona stood on his feet)*

Order, Mr. Anyona!

I have points of order from Messrs Keah, Anyona and Sunkuli. I will give each of you one minute.

## POINTS OF ORDER

### ERRONEOUS REPORTING BY THE *KENYA TIMES*

**The Assistant Minister for Finance** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I stand on a point of order to bring to the attention of the House an erroneous statement in the *Kenya Times* on page four, which says: "The House rises for lack of quorum" as the heading. Within that statement, it says that "the Finance Minister or even his two assistants, were not in the House at the time, even when the Motion was addressed to them".

**An hon. Member:** You were there!

**Mr. Keah:** Mr. Temporary Speaker, Sir, I was here from 9.00 o'clock and I was here right through, up to the time the House rose.

**The Temporary Deputy Speaker** (Mr. Wetangula): Hon. Keah, I also saw you and I confirm that the paper is wrong---

**Mr. Mulusya:** That is KANU propaganda!

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Mulusya! Hon. Keah, you were here and the Chair can verify to that and we ask *Kenya Times* to correct that misleading impression.

Next, hon. Sunkuli.

*(Loud consultations)*

## FILES ON THIKA LANDLESS COMPANY

**The Assistant Minister, Office of the President** (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, on Tuesday I made a promise to this House to visit Thika, District Commissioner's office with hon. Ndicho to verify whether or not the files on Thika Landless Company were actually in the custody of the District Commissioner (DC).

This morning at 9.45 a.m., I, in the company of hon. Ndicho, visited the DC's office in Thika and verified that 10 files were there in the office of the DC, locked in the safe. I would, therefore, say that the Government will continue to tell the truth and that hon. Ndicho should apologise for having said that the Government was not telling the truth.

*(Mr. Ndicho stood on his feet)*

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Ndicho! We will deal with that matter on Tuesday next week.

**Mr. Anyona:** Mr. Temporary Deputy Speaker, Sir, last week, I raised this question---

**The Temporary Deputy Speaker** (Mr. Wetangula): I give you only half a minute.

## PURCHASE OF RAHIMTULLA TOWER

**Mr. Anyona:** Yes, Mr. Temporary Deputy Speaker, Sir. I raised the question on the Rahimtulla Tower and in view of the unsatisfactory answer, you ordered the Minister to make a Ministerial statement this week on the purchase of that building. Up to this day, they have not made any statement, and I do not know whether they are going to make one now. But can we now be told when they are definitely going to bring that statement?

**The Temporary Deputy Speaker** (Mr. Wetangula): I notice that the Ministry of Agriculture, Livestock Development and Marketing is not here. Sorry, hon. Maundu is here. Are you ready with the statement?

**The Assistant Minister for Agriculture, Livestock Development and Marketing** (Mr. Maundu): Mr. Temporary Deputy Speaker, Sir, this statement is not ready. We are preparing it and I believe that by Tuesday next we will get it.

**The Temporary Deputy Speaker** (Mr. Wetangula): Right. Hon. Barmasai had a Point of Order. You will raise yours on Tuesday afternoon.

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 18.6.96)*

*(Resumption of Debate interrupted on 26.6.96)*

*(Fifth Day of Budget Debate)*

**Mr. Achola:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving this chance to contribute on the Budget Speech.

Firstly, I wonder whether the Minister for Finance is serious on the issue of corruption. Early this year, we had a problem at the Port of Mombasa where several officers were arrested and presumably taken to court and charged with various offenses. Up to now, we have not heard anything about those people. The customs department is the cradle of corruption in this country and these taxes which the Minister for Finance raises every year are as a result of poor performance by the Kenya Revenue Authority in collecting funds and taxes from the

customs department.

In his Budget Speech, the Minister for Finance talks about giving the importers 42 days to clear their goods from the port. One wonders whether 42 are really sufficient to be able to do that. He went further and said that after three weeks if the imported goods will not have been cleared, notices will be given and the goods will be sold at the expiry of the 42 days. The worrying thing here is that the Minister for Finance is proposing that these goods should be auctioned by private auctioneers. Since we know the level of corruption in this country, one wonders whether this is not a way in which the Minister is trying to give his friends a means to dispose of other people's goods.

We should also take cognizance of the fact that the auctioning of goods by the Customs Department does not fall under the Auctioneers Bill which is being discussed in this House. So, there could be more than meets the eye in this particular proposal.

The Minister also raised the duties of sugar and rice to 35 per cent so that we could stop sugar being imported into this country and thus improve the production of sugarcane in this country. It is a well known fact that KANU fat-cats and well connected politicians keep on importing sugar through various means and, in fact, without paying any duty. It is not a wonder, therefore, that early this year, when the Minister for Agriculture, Livestock Development and Marketing banned the importation of sugar into the country, the President swiftly on the next day, reversed the decisions. I think the implication here is that he was involved in the importation of sugar into the country. In fact, if hon. Nyachae was in here---

**The Minister for Finance** (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir. I would like the hon. Member to clarify whether the President was involved in the importation of sugar as he alleges.

**Mr. Achola:** I said that at the beginning of this year hon. Nyachae banned the importation of sugar into this country and then the following day, the President lifted that ban on sugar. I was wondering on what basis did he do this unless he had some interest. I do not see why he should have done that and yet this thing was affecting some Kenyans.

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Achola. I will refer you to Standing Order No. 73 (1) which says that if you want to discuss the personal conduct of the President, then you should bring a substantive Motion.

**Dr. Kituyi:** On a point of order---

**The Temporary Deputy Speaker** (Mr. Wetangula): Order, hon. Kituyi. This is a ruling from the Chair. Hon. Achola, you are violating the Standing Orders.

**Mr. Achola:** Those Standing Orders have been inhibiting debate in those House. For instance, if the President were to come and kill someone today, does that mean we will not discuss his conduct?

**Prof. Mzee:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Immediately the ruling by hon. Nyachae was reversed, the prices of sugar, both local and imported went up by 40 per cent, from 1600 to 2200 placing a lot of burden on wananchi. This question of sugar is very, very serious. The information which I wanted to give is that has affected wananchi very much.

**Mr. Achola:** Thank you, hon. Prof. Mzee for that information. What we are saying in effect is that the Minister for Finance can increase the duty on sugar as much as he wants. But if well connected KANU fat-cats will continue to evade the payment of taxes, he will not get the money from that particular end.

I would like to suggest, therefore, that we should come up with a proper sugar policy in this country. Sugar is the lifeline of the people of South Nyanza where I come from. At this time of the year, we have great problems in trying to have our cane being processed in the various sugar mills because of the imported sugar. The 35 per cent duty imposed on sugar is also punitive in the sense that it will not benefit the consumers, but it will go towards protecting the milling factories because inefficiency is inherent in those factories. This will continue for a long time because they will be protected from paying the required tax at the rate of 35 per cent.

On the question of raising duty on Kerosene, I would like to say that hon. Mudavadi was born into a very rich family and I do not think he understands the plight of the poor people in this country. Our old grandmothers and mothers at home use kerosene in lighting their little rooms. If the Minister was down to earth in his approach, he would have known that this was going to affect the poor people more than anybody else. But he went ahead and imposed an additional Kshs3 per litre on kerosene. The effect of this is that the poor people in the rural areas will have to go to bed earlier than expected because of lack of kerosene. You can imagine what the population explosion will be like if this was to happen. That is going to create another problem in this country. The other by-product of this increase on price of kerosene is that life in the rural areas is going to be unbearable

and rural-urban migration will increase and yet this is the same thing which the Government is trying to stop. I would suggest, therefore, that the increase on the price of kerosene should not have been there. The reason which the Minister gave is that smugglers were smuggling kerosene across the border. He should have looked for an alternative way of stopping this smuggling instead of penalising the poor wananchi.

The other issue which the Minister should have addressed is the issue of interest charged on owner-occupier properties. We have had that particular relief standing at K£2800 and yet the prices of Houses have increased tremendously during the last ten years. I would appeal to the Minister that this particular relief should be reviewed.

On the privatisation of the parastatals, the example of Kenya National Assurance Company comes into one's mind so clearly, that there needs to be transparency in privatising all State-Corporations. If one looks at what happened in the Kenya National Assurance Company which was shielded from all the controls and even its accounts were not scrutinised by Auditor-General (Corporations) and that organisation which was solid went bankrupt because the people who were charged with responsibility there were killing it by stealing the money and not helping this country. We have very many employees of the Kenya National Assurance Company (KNA) who are going to lose their jobs because of the misdeeds of a few people. One cannot forget that we have discovered people who have misused public funds and they are not penalised. Instead they are promoted and taken to other corporations to continue with the looting. If the Minister for Finance is serious in trying to look at ways and means of raising finance in this country, then the state corporation looters must be penalised. In fact, sometimes I see the biggest looter in this House and he drives a Mercedes Benz outside there. After looting the Kenya National Assurance Company (KNAC) and also messing up the Fourth All Africa Games, he was brought here and he has continued looting. I wish I could say more.

With those few remarks, I beg to support.

**The Minister of State, Office of the President** (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, my contribution is very minimal because I will raise only a few points.

Mr. Temporary Deputy Speaker, Sir, we are here to formulate and deliberate policies to their suitable accommodation, acceptance and promotion of wananchi. Since the emergence of multi-partyism, it is not only the Members of Parliament who form the Opposition. The Opposition is formed of maybe parents, civil servants and everybody else because it does not mean those who are here are only the Opposition members. So, when the Opposition members stand here and start accusing the KANU Government of malpractices and so on, they should first of all look around and identify these corrupt people because we have voted for large sums of money here which we have entrusted in the hands of the civil servants and executives with that money and even some of them maybe Opposition sympathizers. So the question of who has mismanaged this large amount is a rather difficult issue to be sorted out and it is indeed a fact that when somebody discovers these malpractices of mismanagement of money anywhere, he or she should report to the relevant authorities which is the Police so that one day they can be apprehended and charged. Although some Members here say that some Members in the KANU side are corrupt, it is not true because some are not corrupt. When I say civil servants are corrupt I have not exonerated the Police. I have said that the mentality of the people towards corruption cannot be gauged since we do not have a barometer to measure this level of corruption. So, I think I will be in order by calling upon the responsible Kenyans whether they are in service or not to fear God and render their services as they have promised.

Mr. Temporary Deputy Speaker, Sir, when any Kenyan is performing his or her duties, he or she should render services to Kenyans and not to individuals. And if people could change their mentality towards work, we will not see things that are happening in Nairobi. Nairobi is becoming very dirty. The standards of hygiene in Nairobi has dropped drastically. Now who are failing in their duties? Is it the councillors or the executives? I believe it is not the councillors because the councillors are just policy makers but those executives should be expelled completely. They are making people to pay for their inefficiency. When they leave a lot of uncollected garbage everywhere it is a shame. Kenyans must think of their country first since nobody else will come and build Kenya for us. The onus of nation building lies with us. So, I advocate that people with these ill motives of destroying Kenya to think otherwise. And also since I am in charge of internal security, I am talking to my "boys" and we are charging most of these corrupt officers. We are not playing a game. So we have warned them seriously that if we find them engaging in corrupt practices then they just go home or they are imprisoned simply because the Government is committed to root out corruption amongst Kenyans. So I invite people of goodwill to come forward and assist in this noble task of fighting corruption.

Mr. Temporary Deputy Speaker, Sir, the other thing which I would like to comment on is the communication system, in particular roads. We have seen improvements on most roads in the country since Mr. Sharawi and hon. Ng'eno were appointed as Permanent Secretary and Minister in the Ministry of Public Works

and Housing respectively. You can go around and see some improvements. So, we ought to call upon the contractors, wananchi, chiefs and all Kenyans to stop buying oil where these roads are being constructed. This is because they are sold diesel and other oils by these contractors or they bribe these contractors so that their small panya routes can be constructed. So we call upon the society at large to be watchful because this is a cancer which we should not allow to grow amongst ourselves. As I have said earlier that we do not have gauges to gauge who is corrupt; the responsibility of fighting corruption lies with us. We should wake up and be watchful of these corrupt activities.

Mr. Temporary Deputy Speaker, Sir, the other thing is the hospitals. We have African doctors who when they fall sick they never like to be admitted in Kenyatta National Hospital or any other Government hospital. Why is this the case?

**An hon. Member:** Even you!

**The Minister of State, Office of the President** (Mr. Kalweo): Yes, even me I would never accept because these Government hospitals stink. So people say that the Government is inefficient and yet some of these doctors are to blame. Maybe Dr. Lwali-Oyondi is one of them, but I do not think so although he is also a doctor. People should know that these drugs are taken to hospitals to cure their people. So when doctors behave carelessly and are involved in an accident in any of our roads, these doctors will not know which hospital they should be admitted, but they will find themselves in those hospitals which they had neglected before people know that the accident victims are the doctors of that very hospital they had neglected. So this is why I am saying that people ought to change their immoral ways and change for the better by building a peaceful country.

Mr. Temporary Deputy Speaker, Sir, in other areas like in agriculture, we have been keeping on blaming the Minister and his staff. What about the farmers themselves? Are they doing what is right? When the farmers complain about lack of loans and so on, there are other small funds available which could help them. So if farmers dedicate their lives to farming by producing a lot of food we will not experience food shortage. This food shortage comes about because of the attitude of inefficiency which is growing fast in the Kenyan society. So, it is upon Kenyans to know and decide where their destiny lies. So the Motion is timely and we have to pass this Motion in order to allow the Ministry concerned to continue disbursing funds to the relevant Ministries for our upkeep.

Mr. Temporary Deputy Speaker, Sir, the other thing is about tea production in Nyambene District. The Micii Mikuu Tea Estate is being expanded so that it can reduce the quantities that is being processed by a single factory within Tigania area. That is another step forward, but also I call upon the farmers, again, to heed and produce quality tea.

Mr. Temporary Deputy Speaker, Sir, I wish to comment on the issue of the police, chiefs and other administrators that the MPs continue complaining about because that they are also human beings. I urge the public, particularly the leaders of goodwill to come forward and report any corrupt officer. If they report to them and they fail, let them report to me, and prompt actions will be taken immediately, so that we can fulfil our commitment to the service of this nation.

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

**The Temporary Deputy Speaker** (Mr. Wetangula): Mr. Anyona, have you not spoken on this Motion?

**Mr. Anyona:** No, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Wetangula): Are you sure?

**Mr. Anyona:** I am very sure, I spoke on a Vote on Account which is a different matter.

**The Temporary Deputy Speaker** (Mr. Wetangula): I am sorry, you have not spoken on this. Carry on.

**Mr. Anyona:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving this opportunity to contribute to this Budget Speech. I am not going to go to the individual Ministries because I think that will be covered under the various Votes, but I would rather concentrate on the general themes of this Budget. In my view, a Budget is intended as an instrument of sound economic management. That really is the whole purpose of the Budget. If it does not meet that requirement, then it is not worth being called a Budget. The corollary of that is, that a Budget must not be used as a political tool for partisan political gimmick manipulation or polarisation between the Government and the Opposition. My view is that this Budget does exactly that. On the one hand, it does not constitute an instrument of sound management of the economy and on the other hand, it serves as a tool for political manipulation and polarisation. It is as a result of that, that this Budget has received a lot of mixed reactions both from the business community and the general public. In spite of the optimism that was expressed in the Budget Speech, this Budget has created more pessimism, scepticism than optimism, and that in itself, is a very serious matter in considering this Budget.

Mr. Temporary Deputy Speaker, Sir, this Budget, in my view, has failed to address the fundamental

issues and serious problems facing this nation today, and some of these problems, for instance, include growing and widespread poverty in this country. It is appalling when you go to the suburbs of Nairobi, or any other town in this country, and in the rural areas, the acute poverty that we see there, is a very bad reflection of this nation. When we went to the World Bank Seminar which was held in Taita Hills, one of the admissions made by the World Bank was that countries like Kenya, now have a poverty level of 45 per cent. You can see that this country and our people are just being poorer year-in, year-out, and I expected that this Budget would address itself seriously to that issue.

Mr. Temporary Deputy Speaker, Sir, the other issue is that in this country there is a serious and growing unemployment both of school-leavers and university graduates. I do not think that there can be stability in a country where its youth cannot find employment, and that is exactly the case today. I was the other day talking to someone in the Public Service Commission (PSC) and asked him one question; why the graduates from our national universities and from elsewhere have not been employed? The answer I got was that the Office of the President, Directorate of Personnel (DPM) has not given them a list of jobs available to advertise that graduates can apply. It appears that as if there is no concern at all in this country for the youth who are unemployed. If I will have time, I will come back to the question of the National Youth Development Programme. But in this context of unemployment, this is merely a political gimmick to give the youth hope that they can secure self-employment through Harambee and some Kshs 200 million, and expect that they will be contented with that. What is this Government doing about our youth? For instance, we have graduates who graduated from private teachers colleges throughout the country.

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

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

In Kisii District, we have Nyabururu, Kamagambo and Nyanchwa Teachers Training Colleges. They are at home unemployed and I heard the Minister saying the other day that there is a shortage of teachers. These are the kind of political contradictions that are reflected in this Budget.

Mr. Temporary Deputy Speaker, Sir, besides unemployment, there is also a problem of under-employment both in the public and the private sector. I expected that this Budget will address it because we cannot have economic growth when there is under-employment. There is also a serious and growing housing and sanitation problems both in the urban and rural areas. If you visit places like Line Saba, Kibera, where our people live, Mr. Temporary Deputy Speaker, Sir, you will feel embarrassed and I expect this Government to address to those issues. If you go to the rural areas, the people are not able now to put up decent houses. What is this Government doing about that? What is there in this Budget to deal with that issue?

Mr. Temporary Deputy Speaker, Sir, there are declining levels of food production, food sufficiency and food security. This nation has been left to the designs of the Almighty. There is no serious planning of food. When there is some food, it is then depleted through irregular exports by persons and well-placed individuals in this Government. What about education and health? Again, declining standards, services and facilities. How can this nation prosper when that is the story throughout the country?

Mr. Temporary Deputy Speaker, Sir, there is also a very serious economic matter. We are talking about domestic savings, but in actual fact, there is a decline in domestic services and savings because of high interest rates, taxation and high inflation. I do not for one moment myself believe that we are down to a single digit figure in terms of inflation because the prices have all gone up. For instance, if you go to the supermarket, the other day the price of bread has gone up and yet we are told that inflation is coming down. I do not understand that language this Government speaks. In the rural areas, the only way we can generate economic growth, is to provide rural electrification. Most of these towns, as I have said before, are in deep darkness. Why even in cities like Nairobi and others, we are more in darkness than otherwise? How will the Jua-Kali sector grow if we do not have rural electrification in those areas? What is there in this Budget to address the question of infrastructure, postal services, telephones, roads? What is there? I have looked at this Budget and in Kisii and Nyamira Districts, we have a total of less than Kshs 10 million for the entire road network.

Now, Mr. Temporary Deputy Speaker, Sir, how then can there be economic growth? Day-in-day-out you read the papers and the story of corruption is the same; the story of mismanagement of resources, the story of misallocation of resources. I think the single most important asset that the country has is discipline, honesty and probity. We do not have any of those. How can this nation survive? We can come here and appropriate a lot of

money here, but where does it go, and whom does it benefit? A few individuals who do need to invest, they just consume.

Mr. Temporary Deputy Speaker, Sir, I have, therefore, indicated that this Budget has not met the high expectations of our people in addressing the plight and problems of Kenyans. It appears as if this Budget was designed to please the donor agencies and the donor community to win their approvals at the expense of Kenyans. If that had not been the case, as I said, this Budget would have tried to address issues I have just raised. Therefore, the theme of this Budget which is "Macro-Economic Stability for Investment and Growth" has a hollow ring to it, and remains at best mere rhetorical optimism. It has no reality in it at all. How is there going to be investment when there are no savings? How is there going to be stability, when you have no housing, when people are not employed?

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

**Mr. Chebelyon:** Asante sana, Bw. Naibu Spika wa Muda, kwa kunipatia fursa hii niungane na wenzangu kuijadili Hoja hii.

Kwanza, ningependa kumshukuru Waziri wa Fedha kwa kutoa Bajeti ya kadiri. Ninaweza kusema kuwa amejaribu. Kwa hivyo, kutokana na jambo hili namuunga mkono. Ingawa angefanya mabadiliko fulani, mambo mengine hayangeweza kuepukika na ndiyo sababu ushuru huu unamfinya na kumuuma mwananchi, ukaletwa na hasa nyongeza ya bei ya mafuta. Ukiongeza bei ya mafuta, haina maana hata kuongeza bei ya vitu vingine. Kwa sababu mafuta ni kila kitu. Kwa hivyo, ushuru mwingine ungeachwa kwa sababu utamduru mwananchi kwa kila njia. Lakini hata hivyo, Bajeti kama hii imetengenezwa na Bunge hili linajadili na likijadili, linagawanya pesa kwa Wizara mbali mbali. Mwananchi hana matata ikiwa kodi yake inachukuliwa na matumizi yake yanaonekana. Lakini wakati unapochukua kodi yake, na kumwambia kuwa unamtengeneza barabara na pesa hizo, na hatimaye barabara hiyo haionekani na hata ikionekana inaonekana kuwa hafifu, haiwezi kudumu wala kumaliza mwaka kabla haijiharibika, pesa hizo zaonekana kwamba zinatumbukizwa kwenye shimo.

Bw. Naibu Spika wa Muda, kama Mbunge wa Butere alivyosema, Bajeti hii ni kwa sisi sote. Ikiwa tunatoa pesa kwa Bunge hili, ambalo ni la Serikali na la Upinzani na sote tunatoa pesa--- Ikiwa katika sehemu za Upinzani wakati moja hakuna barabara, fahamu kwamba wananchi hawajui mambo mengine, wanajua kuwa Mbunge hakutengeneza barabara, na utang'olewa.

**Prof. Mzee:** Kama huko Kaloleni!

**Mr. Chebelyon:** Kwa mfano, Kaloleni, pengine sijui. Lakini wananchi wanajua tu ni Mbunge anayefanya kazi hii. Kwa hivyo, ikiwa mambo hayatafanyika wananchi hawajui Upinzani wala KANU; wanajua tu Mbunge wetu hakutimiza ahadi alizotutolea akisema "nikichaguliwa nitaenda kutimiza." Hawajui mambo ya Upinzani au KANU. Kwa hivyo, sisi sote katika Bunge hili, tunafanya kazi pamoja kuhakikisha ya kuwa maslahi ya wananchi wote wa Kenya yanatimizwa. Kama vile yule mwenzangu anavyozungumza juu ya maziwa, ninaweza kumweleza kuwa anazungumza juu ya maneno ya jana na anaacha maneno ya leo ambayo tungekuwa tunayazingatia. Kwa hivyo, anaota ndoto ya mchana.

**Mr. Mutahi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that whoever is talking about "maziwa" anaota ndoto, while he knows very well for three months now the peasant farmers he is talking about have not been paid their milk dues, and he was the Chairman of KCC?

**Mr. Chebelyon:** That is a point of argument, I can still argue further.

**Mr. Shikuku:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order, when he knows that Standing Order No.62 provides, that once you start speaking in English, you continue? He started speaking in Kiswahili. Since he started in Kiswahili, is he in order to switch to English?

**Mr. Chebelyon:** Bw. Naibu wa Spika wa Muda, nitazingatia kanuni za Bunge kama vile Mhe. Shikuku alivyosema. Ninasema ya kwamba hakika Bajeti ilikuwa nzuri. Ninasema hivyo kwa sababu pesa zimetolewa na kugawiwa Wizara mbali mbali. Sisi kama waakilishi wa wananchi tungetaka pesa zile ambazo zimegawiwa Wizara mbali mbali zionekane kama zimetumiwa kwa njia nzuri. Vile vile ninajua ya kwamba, tangu mwaka wa 1963, wanakamati wa Public Accounts Committee wamekuwa wamependekeza kuwa pesa ziliibwa, na kwamba pesa hazikutumiwa vizuri. Hata mpaka wakati huu, inaonekana ya kuwa pesa hazitumiwi vizuri. Kwa hivyo, nchi hii imepoteza pesa nyingi ambazo zingetumika katika miradi ya kuendeleza nchi hii. Kwa hakika, kama pesa hizo zote zingetumika katika ujenzi wa barabara, ninajua ya kwamba barabara nyingi ambazo zinatututiza wakati huu, hazingekuwa zinatututiza.

Kwa mfano, mtindo huu wa kutumia tingatinga kutengeneza barabara, pengine ingefaa uachwe ili watu ambao hawana kazi waajiriwe kutengeneza barabara, kwa sababu barabara hizo ambazo zinatengenezwa kwa mikono, zinadumu. Ninaweza kutoa mfano wa barabara moja iliyotengenezwa mwaka wa 1946, barabara inayotoka Kipkelion mpaka Sotik. Hiyo barabara ilitengenezwa kwa mikono. Hata wakati huu, barabara hiyo

ingali iko katika hali nzuri.

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you notice that the hon. Member is slowly crawling towards your Chair and he is neglecting the microphone? Could he use the microphone, please?

**Mr. Chebelyon:** Ninajua kwamba Prof. Mzee anafahamu vyema ya kwamba, barabara hizo zote ambazo---

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Are the words "kupoteza wakati" parliamentary? We do not waste time here!

**Mr. Chebelyon:** Hupotezi wakati lakini unataka kunipotezea wakati.

Bw. Naibu Spika wa Muda, ninafikiria ya kwamba, badala ya kutumia tingatinga ambazo wakati mwingine zinaharibika na kuchukua karibu mwaka mzima kuleta sehemu zilizoharibika kutoka nje, tutumie watu kurekebisha barabara zetu. Hiyo barabara ambayo nimetaja ilitengenezwa mnamo mwaka wa 1946 na kuwekwa lami na hata sasa bado haiharibika. Kwa nini tusitumie watu kutengeneza barabara zetu? Tukifanya hivyo, tutakuwa tumetoa nafasi za kazi kwa vijana wetu. Pili, tukifanya hivyo, tutakuwa tumepunguza matumizi ya pesa kwa kutonunua hizi sehemu zilizoharibika kutoka nje. Tutakuwa tumeweka akiba ya pesa badala ya kuharibu. Hata kwa kutengeneza rural access roads ni watu walitumia mikono yao na hata sasa hizo barabara bado ni nzuri sana. Tukifanya hivyo, nina hakika kwamba tutapunguza jambo la ukosefu wa kazi katika nchi hii na barabara zetu zitakuwa katika hali nzuri kila wakati.

Kuna barabara nyingi ambazo zimeharibika katika constituency yangu na hali hii constituency inatoa asilimia sitini ya rasilimali ya nchi hii ambayo inaiitea nchi hii fedha za kigeni. Hata hivyo, barabara katika hii constituency in mbovu sana na hata majani chai hayafiki katika viwanda kwa wakati unaohitajika. Kwa hivyo, wananchi wanaumia na Serikali pia inaumia kwa sababu ya kuwa na barabara mbovu katika nchi hii. Ningependa Waziri anayehusika aangalie barabara ya E10 87 ambayo ni kilometa 67 na inahudumia viwanda sita.

Kwa hayo machache, ninaunga mkono Bajeti hii.

**Mr. Ruhii:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this debate.

In the first instance, I wish to congratulate the Minister for Finance for a good Budget, well prepared, but this Budget, as I may quote hon. Anyona, has been received by members of the public and also business community with a lot of mixed feelings. It is very wrong to prepare such a good Budget which, in fact, is intended to give this country sound economic growth, but it is a another story when you come to think of what they call financial discipline which must be exercised in sending out what has been collected by way of revenue. We have on record that this Government has quite a lot of money which has been embezzled by irresponsible and greedy civil servants, including their fellow Asians who are equally greedy. We have, for instance, a lot of money that was looted during the 1992 and 1993 through Central Bank and the Ministries. We can talk of billions of shillings which were looted from the coffers of this country. This money can look after the welfare of this nation for a period of about five years. It can even look after the social services and finance social services of our people for a period of one year. When you talk about finance, you must remember that what is important is not collection of revenue, but how this revenue is to be spent. Because of that, we have heard in the past, in the Public Accounts Committee, a litany of corrupt practices by civil servants and businessmen. In this particular case, I am referring to the Asian businessmen who are scrupulous. You come to think of a man like Kassam; the former chairman of Trade Bank, and his managing director; Mr. Rayner, up to this moment, it is three years ago since they fled this country and the Attorney-General has not even bothered to file extradition proceedings to bring these people back to account for the depositors' money.

We may also talk about Ketan Somaia who comes here and is given security like a head of state. When he comes here he is given security and escorted. He comes here to inspect his businesses which he established with looted coffers' money. Sometimes I even think that we should not blame hon. Matiba when he says that Asians must go. He has got an idea that, unless these type of Asians leave this country, are kicked out or are brought back to face trial and are jailed, they will still continue living in this country.

If I may come to education, I should have thought that the Minister for Finance should have availed some funds to subsidize education in secondary schools. You hear of riots in secondary schools which are not only caused by the administration of those schools but the mere fact that these students do not have a square meal in most of the secondary schools and they know how much money their parents are pumping by way of schools fees. To prevent such riots, I would have thought that education in secondary schools in this country would be subsidized by the Government.

The Kshs300 million which was released by the Minister for Education by way of bursary fund is not

sufficient. I think double that amount should be released to assist schools and those students that are not able to pay their school fees.

I will now talk about the Nairobi City Council. It is said that FORD(A) is to blame for the mess in this City. I want to categorically state here that, KANU is to blame for the mess of the entire City because the officers of the City Council are appointed by the Minister for Local Government, and until the Local Government Act is repealed, where the City Council can discipline its officers, there is no way that is going to happen. I have heard that the Mayor threatened to walk in the streets of Nairobi naked. The reason for doing so is to demonstrate the fact that the revenue collected here, some of it finds its way into State House and other places. This is because the officers appointed are not appointed by the City Council but by the KANU Government. The mess has not been caused by FORD(A) but KANU.

**The Minister for Finance** (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir. Can the hon. Member explain how revenue collected by City Hall is taken to State House?

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I have said that this is the talk of the day since the cleansing of Nairobi started. Mwananchi has to raise money from 1992, which has since found its way to State House. There is a pipe connection from here to State House.

**The Minister for Finance** (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member is misleading this House and the nation. There is no pipe connected to State House for the purposes of taking rates money there, or anything like that. I think the hon. Member should withdraw those remarks and apologise.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir---

**Prof. Mzee:** On a point of information, Mr. Temporary Deputy Speaker, Sir. I want to tell this House---

**The Temporary Deputy Speaker** (Mr. Ndotto): Prof. Mzee, I have not given you permission to stand up and contribute. I have not even given you permission to say something. Carry on, hon. Ruhiu.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I used the word "pipe" as a figure of speech.

**The Temporary Deputy Speaker** (Mr. Ndotto): Hon. Ruhiu, the Minister for Finance wants you to either withdraw or substantiate.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I do not want to waste my time. I withdraw and apologise, but the message has been already transmitted.

**The Temporary Deputy Speaker** (Mr. Ndotto): Hon. Ruhiu, I do not want to interrupt you, particularly when you keep on standing and sitting down, but that is not withdrawing. Can you properly withdraw and proceed with your contribution?

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I withdraw.

**The Temporary Deputy Speaker** (Mr. Ndotto): Order! Order, hon. Nyanja. Hon. Ruhiu, can you withdraw properly?

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I now turn to the office of the Attorney-General.

**The Temporary Deputy Speaker** (Mr. Ndotto): Hon. Ruhiu, I am asking you to withdraw properly.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I want to state as follows: "Money should be spared to look after that department of the Government which they call "deferment", so that we can have---

**The Temporary Deputy Speaker** (Mr. Ndotto): Hon. Ruhiu, I do not want to interrupt you, and I do not want to repeat what I am asking you to do. Are you withdrawing what you said or not?

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I have already withdrawn and apologised.

**The Temporary Deputy Speaker** (Mr. Ndotto): Well, then proceed.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, the Attorney-General should be given more money---

**Mr. Nyanja:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Ruhiu to be asked by the Chair to apologise to this House, whereas it is a known fact, that the Head of State who stays in State House has appointed the Minister for Local Government, who in turn has kept the Town Clerk and the entire officers to frustrate the councillors of FORD (A)? So, somehow, somewhere, somebody seems to have come from Mars.

**The Temporary Deputy Speaker** (Mr. Ndotto): Hon. Nyanja, you are completely out of order. Proceed, hon. Ruhiu.

**Prof. Mzee:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister for Finance in order to say that there is no pipe through which money is sent directly to State House, while we know that every day that state corporations---

**The Temporary Deputy Speaker** (Mr. Ndotto): Order, Prof. Mzee! I have already ruled on that

matter. I am surprised that a senior hon. Member like you can do what you are doing. Proceed, hon. Ruhiu.

**Mr. Ruhiu:** Mr. Temporary Deputy Speaker, Sir, I want to say that this country has got the worst human rights record in the world. There is no doubt about that. You can check that.

**Mr. Akumu:** Mr. Temporary Deputy Speaker, Sir, I am very grateful that you have given me time to contribute.

First of all, I want to join other hon. Members in congratulating the Minister for restoring some sort of confidence in our currency externally.

But, of course, I am unhappy with him for increasing prices of kerosene and petrol. But I still want to join other hon. Members in pleading with him that if he wants to end up as a great Minister for Finance, he has to bring to book those who have looted the National Bank of Kenya, NSSF and other parastatals, if he wants to restore the confidence of wananchi in him as a great Minister for Finance, as he has started well.

I would also like him to do a little more accurate accounting, and give us a little bit more details. For example, I would like to know exactly what the Road Maintenance Levy Fund has done. The road from Sondu to Kusa in my constituency has not been tarmacked as promised by the Minister and the President. It is the priority of the DDC. Do not just make a general statement, but try to give details on how money is being spent. If it is true that within four years, you have diversified to the extent of not depending entirely on crop export to the tune of 49 per cent in other groups, 29 per cent in other African countries trade because we are doing very well in East Africa. We salute you for that.

But once again, give us detailed analysis on how we have diversified, where we are exporting and how much we are earning from other African states and other areas.

I have my very strong doubts when the Minister said that we have 500,000 people entering the labour market every year. I have a modest idea and I normally monitor this. He has taken these figures from the Planning and Development Bureau, and as far as we know, there is more unemployment today. More people are being declared redundant. A number of people are going without jobs. The youth that are entering the labour market are very few. So, these figures cannot be accurate. In some cases, the Ministry of Labour and Manpower Development and, I think the Ministry of Finance, have allowed some employers to maximise their profits. For example, he has praised the banking sector for making an impressive profits.

But what are we seeing the banks do? They are cutting down on their operations. They are declaring their employees redundant. Instead of some banks opening branches in the rural areas, they are not. Not only that, they have refused to increase wages for workers. Yet here, we are proud to say that they have made an impressive profit. What are we gaining if one bank alone is closing down nearly 12 branches, and another one nearly 20 branches? So, we think that it is important that the banks should be forced to do this. But there is also a very important aspect in the banking industry.

The Minister must encourage africanisation in the banks. Today, the banking industry still belongs mainly to non-Africans. We stand the risk of waking one morning to find that they have run away, like the owner of Trade Bank. The others also ran away. We remain here while other people are running the banking industry.

I think it is important to encourage Africanisation in the banking industry. The Minister should go out of way to encourage Africans to set up banking institutions.

I do not agree with the Minister when he denounces those who have called for the Africanisation of the economy. He is saying that we are threatening other people like the Asians. We are not threatening the Asians. We are merely saying what the late President Kenyatta said in 1972 that some people are using citizenship to frustrate Africanisation. He did not accept this and, therefore, I think the Minister for Finance, as a young man, is doing very well. Why are you, as the Minister for Finance, not fighting for Africanisation of the country? You as the Minister should assist Africanisation of the economy. We cannot have a situation where the Asians themselves accept that they dominate the economy, and that they are siphoning out billions, and they own 73 per cent of industries employing hundreds of people. They boast that they run the country. You cannot accept that. It will be really sad if you accept that. The President has said that very clearly.

Mr. Temporary Deputy Speaker, Sir, on the question of local Government, I am surprised that we are discussing this without having got the Omamo Report. We have not seen that report and local authorities have not paid their workers. Even councillors have not paid themselves. As a result, the councillors are threatening to take away the seats of Members of Parliament. However, I think that threat is always there. I think it is important that the local authorities' treasurers be part of the Minister's budgetary team, so that the local authorities' budgets are harmonised nationally.

On liberalisation and privatisation, I want to plead with the Minister that, it is important that we cautiously implement these programmes. Even the United State of America (USA) has not up to today privatised the Tennessee Valley Authority. We are going to end up being a free market for everybody. What are

we manufacturing to market? Today, our few industries here have been closed down because our market is flooded with goods, and workers are being declared redundant. We must proceed cautiously. The people we are trying to copy from, for example the Japanese, never opened their markets until they were producing sufficient goods. Today, China has not opened her markets. We should be more than careful when we are talking about these programmes.

On the Civil Service, I think the golden handshake amount is a shame! It is very little. The retirees are not being organised and deployed properly as it happens in other countries. There are no credit facilities in the rural areas for them. In fact, we are creating more poverty because these retirees spend the money they get and then remain poor. This is very sad. However, we should realise that charity begins at home. I realise that hon. Members have set up committees on various subjects and started meeting. But what about improving the working conditions of our staff here? What about the delinking of Parliamentary service from the Office of the President, so that the working conditions of our staff can be improved? We are waiting for the Minister to give us more details on this issue when he will be replying.

When it comes to tackling poverty and the social dimensions of development, I must say that I am a bit concerned that the Government has created three bodies in which the vulnerable groups are not represented. There is the Policy Framework Committee and the Social Dimensions of Development Committee in which even the workers, churches and the disabled are not represented. There is even no wide representation in the Kenya Tourism Board. We are already being blamed because tourism is bringing into the country, some elements of Western culture which we do not need and also because we are making ourselves too expensive. The Minister must look into these issues. I think he should include in Social Dimensions of Development Committee, representatives for the vulnerable groups like the youth, women and the disabled, as he indicated at the famous seminar where we were discussing the position of the poor. In the case of the National Social Security Fund (NSSF), which we are trying to turn into a pension body, the Minister must ensure that we discuss it with the contributors and not with the employers alone. The employers are among the rich who are looting the Fund. Before we introduced the NSSF, we discussed the matter for a long time. Today the NSSF has helped the rich to become richer more than it has helped the poor. We would prefer that the present proposal be discussed with the workers. If the Fund becomes a pension body, there should be a provision for payment of lump sum pension.

Mr. Temporary Deputy Speaker, Sir, I feel very strongly that workers have not had a fair deal. The recent wages increase is not enough. We are talking about having a buoyant economy and yet, wages are below Kshs2,000 per month. Every research has indicated that this country could afford to pay workers more.

With those remarks, I beg to support.

**Dr. Wako:** Thank you, Mr. Temporary Deputy Speaker, for giving me this time. First and foremost, I would like to congratulate the Minister, who has actually brought up a fairly balanced Budget. In the past few years, we have been having a fair Budget. At the same time, the economic growth rate has risen from zero to five percent. For this, we should actually congratulate the Minister concerned.

However, we as Kenyans should know that the economy of the country depends much more on the Kenyans themselves than on the Minister alone. In the light of that, it is actually Kenyans who should strive to ensure that the right atmosphere for investment is created. Most of all, it is we hon. Members who should create that particular atmosphere. This is because the economy depends more than anything else, on the political stability of the country. The political stability of this country actually rests upon this House.

It is good that the Minister has tried very hard to prepare a fair Budget. But when we look at the past, we see that the Budget does not go to benefit the common people. The Minister should ensure that all the money issued from the Consolidated Fund is accounted for. It should be actually accounted for because in most cases this money goes to the pockets of individuals in the Ministries. This has created a lot of problems. We have cases where the money voted to Ministries is not properly accounted for. That means that actually the common man is not benefiting from the money we are voting in this House. We are voting the money but it is not helping our people. This should not be the case. So, we would like the Minister to take all precautions and ensure that money voted in this House goes to purposes it is meant for.

The way I see it, the Ministry of Transport and Communications did not deserve to have the Road Maintenance Levy increased. It is good that we maintain roads, but when we are not actually making use---

**The Assistant Minister for Transport Communications** (Mr. Morogo): On a point of order, Mr. Temporary Deputy Speaker, Sir. I am wondering why the hon. Member is referring to my Ministry when we have nothing to do with the Road Maintenance Levy! If the levy was under my Ministry I would assure the hon. Member of a wonderful job!

**Dr. Wako:** Thank you very much, Mr. Assistant Minister. I meant to refer to the Ministry of Public Works and Housing. I intended to say that this Ministry has not accounted for Road Maintenance Levy money

which they have already collected. Roads in the country are so pathetic that one wonders whether there are people from the Ministry who use them. All the road maintenance staff in the districts and provinces use our roads and watch potholes grow from one inch size spots to cover a whole road. Actually, this is the situation countrywide. So, if this is the situation, what are we increasing the Road Maintenance Levy for? What we are saying is that, even previously the Road Levy Fund has not been used to maintain our roads and actually it looked like the civil servants are waiting for the road to be pathetic so that they can increase the amount of money so that the loot be increased from that. We cannot entertain that. If the Ministry is unable to maintain our roads; if they are unable to use our levy well, I do not see the reason why the Minister should increase the Road Maintenance Levy. My suggestion to the Ministry is that they should actually stop building any new roads and make sure that the roads which we are having are improved; are maintained to a standard which is passable. Because all over the country, you will find that the state of roads is so bad, it is not possible for people to go through those roads.

It is also very unfortunate that the Budget talked of environment on one side and increases the price of petrol or paraffin. Paraffin which is commonly used by the common Kenyan should have been saved from this increase. I do not think the Minister should actually say that they cannot control the exportation of kerosene to neighbouring countries. All these things are possible; it is only that the Ministry does not want to take them into account and make sure that every businessman is accountable for what is going on.

**Mr. Achola:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Dr. Wako, really in order to claim that the Minister's Budget Speech was wonderful and yet just now he is telling us that there were so many pitfalls in it? Why can he not be consistent?

**Dr. Wako:** I am just pinpointing what is not right in the Speech. So if hon. Achola does not want to hear that, he can wait until his time. So, the price of paraffin should have not been increased because this is one particular item which is used by all the common people in this country and actually we have to save it because the felling of the trees is for use as firewood and for actually lighting in the evening. By increasing the price of paraffin, we are increasing the burden on the common person. Therefore, I urge the Minister to look into it and make sure in the next Budget he considers that particular fact.

**An hon. Member:** Not the next one, this one!

**Dr. Wako:** On the education side, I think, the doubling of the bursary funds is a welcome move. But the Ministry of Education should bear in mind that the distribution of the bursary has not been pleasing at all. People from high productive areas are the ones who are getting the Government bursaries compared to the famine stricken areas of Northern Kenya. Most of the pastoral Kenyans are actually not getting the bursary funds. So, we would like to ask the Ministry of Education to ensure that there is fair distribution of the bursary funds which is actually a means of ensuring that all those people who are not able to go to secondary schools will be enabled to do so, by these funds. It becomes quite unfair if those who are able to pay their fees are actually benefitting from this particular bursary scheme while those who are unable to pay are actually not benefitting. So, we would ask the Ministry to ensure that in the distribution of the bursary, there is fairness. He should make sure that there is actually an increase in those areas like Northern Kenya, Turkana and Samburu where there is famine and most of the students might not be able even to report back to school. So, the Ministry should look into that particular area.

On agriculture, we should improve agriculture in this country if we have to survive. The liberalization of agriculture is also a very important aspect which is actually a bone of contention. When the rest of the country is benefitting from the liberalization, those farmers who are actually doing the job; the maize farmers, the bean farmers, the banana farmers and the horticulture farmers should be able to compete with the rest of the farmers in the world or in the country as such. The restriction of the beans or maize has actually gone into a situation whereby the farmers are not able to produce maize because the price fluctuates from Kshs400 today to Kshs900 the following day and they are unable even to export it out when there is even a surplus. It is unfair when there is a surplus and we are able to export our maize and fetch better prices--- Why can we not sell it outside and be able to buy at a cheaper price? That is a sort of incentive for the farmers to be able to increase the production.

With that, I wish to support. Thank you.

**Mr. Obure:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on the Budget Speech. A Budget is very, very important in this country. The Budget is there to serve the people. But one thing I would say is that, the money that we budget for is contributed by the people. So, what comes first really; are the people because they enable us to sit and discuss issues in this Parliament. The money comes from people. People pay taxes so that this Government is able to budget how much will come from the people and how much will be spent. The prime responsibility of any Government in this world is to protect lives. If any Government does not protect its own people, that Government has no obligation or moral authority

to govern that nation.

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

*[Mr. Deputy Speaker took the Chair]*

Mr. Deputy Speaker, Sir, you may wonder why I am saying this. Bomachoge people from my constituency are part and parcel of this nation. If they are part and parcel of this nation, they pay taxes and it is the obligation of the same Government to protect them as much as it protects other people. A few weeks ago my people were brutalised; my people have been killed. They are being killed with vital weapons. The same weapons are brought with the taxes we pay to this Government. They are the same weapons which are being used to kill my people. For example, on 6th May, 1996 - I am talking about the Trans Mara and Kisii border - people purporting to be security people came to my constituency and killed Mr. Jommo Anyona. Mr. Anyona was cut into pieces. But on 11th May, 1996, the same people came early in the morning ambushed Nyang'au Oruongo and Mr. Nyabuto Siriba and took them to the forest and shot them point blank with guns. Who in this nation can be a Member of Parliament or a representative of people who are being killed when, in fact, they are supposed to be protected? I challenge the Government on this.

Mr. Deputy Speaker, Sir, I challenge the Government to seek security and to stop killing my people. These people would disguise themselves, they have guns, dressed like Administration Police and they come and pretend that they are protecting my people and in the process they shoot them.

If the Government cannot improve security or arrest the culprits of these heinous crimes, then it has a case to answer to Bomachoge people. It may answer now or later, but it is up to them to answer. But for now, we have to protect people. People have been killed, and this Government will not escape the blame. To me, I would say this Government is killing Bomachoge people. I am sorry to say that, but it is a fact.

**The Minister for Finance** (Mr. Mudavadi): On a point of order, Mr. Deputy Speaker, Sir. I do sympathise with the members of Bomachoge who have been attacked by thugs or people who are known. But is it in order for the hon. Member to bring it up in this manner and not raise a substantive question? If he can raise a substantive question on the subject, I think, he can get a comprehensive statement on those particular incidence through the right Ministry.

**Mr. Obure:** Mr. Deputy Speaker, Sir, that is not a point of order! But let me continue with my contribution.

I stated that this Government must not kill people. If they cannot exonerate themselves, then they must come out and arrest those people who killed the people in my constituency using guns.

Mr. Deputy Speaker, Sir, that is not an isolated case, but this nation is not secure honestly. Our Ministers are not secure at all, hon. Members of Parliament are not secure, children are not secure, nobody is secure in this country. For example, in Nairobi, many small businessmen are being eliminated. A case in point, a few days ago Mr. Owinde was gunned down at Mathare. He was a student who had finished his studies from Nairobi University, and he had asked for a loan to set up a business. He was shot at point blank. A few months ago at Eastleigh, Mr. and Mrs. Bera, were murdered with guns. Where are these guns coming from? Who is the custodian of people in this country? How do we protect our people? People are discouraged. There is an organised big business here, men and women in this country, especially in Nairobi who want to dominate in business. They do not want competition, any "small" people, young people setting up businesses are being eliminated so that they cannot compete with the big business here.

I am reminding the Asian community in this country that Kenya is a good, peaceful country. But how come that the Asians are industrialists, manufacturers, middlemen and retailers? I want them to engage in a particular business; if they are manufacturers that is fine. The Minister for Finance must realise that we have to help our people to start business.

In Nairobi and other big towns, big businessmen have laid down a scheme of eliminating "small" people starting business and they are hiring thugs whom they pay dearly. These thugs go and kill anybody raising competition against what they are selling. So, it is the responsibility of this Government to see to it that the money we have voted for security in this country must be utilised to protect lives of the people in this nation.

The other thing I wanted to say is that if we are here and we want to protect a nation, we have to look at a "small person," too. Let us not think of who is who. Let us not look at Pattinis alone, let us not protect the Pattinis, but let us protect the "small man."

In this country, we are being selfish. For example, a few months ago, we passed a Motion here that the

staff of National Assembly be paid good salary, but nothing has been done so far. We have also left out the councillors whose salaries are supposed to be increased, teachers salaries need to be increased, our civil servants need salaries increment and so on. We are promoting corruption in this country. So, let us have a general increase of salaries to the workers, especially for the "small man."

Mr. Deputy Speaker, Sir, I support this Budget.

**The Assistant Minister for Wildlife and Tourism** (Mr. Kisiero): Thank you, Mr. Deputy Speaker, Sir. I wish to join my colleagues in congratulating the Minister for the good speech he delivered during the Budget day.

It is obvious that the Minister and his colleagues have done a commendable job in the management of our economic affairs because through his good management, we are able to see the fruits of that effort, we are able to note that there is a big reduction of Budget deficit and that inflation has been kept under manageable position. With that one, we say thank you to the Minister and his colleagues because they are doing a good job for this country.

Of major importance is the fact that the Minister has done everything possible to ensure that at the Customs entry points, all the goods that attract tax or duty of various kind do not escape the net. In that way, the loopholes that have been existing are being covered up and the result would be that there would be more money available from taxation. That money would be able to go a long way in building our country. And not only that, with more money from areas which should be taxed, the Minister will be in a position at one time to reduce taxes that may be a burden to a "small man;" taxes such as that affecting paraffin and other little things.

Mr. Deputy Speaker, Sir, we have seen that the Minister through the good management has informed us that the GDP growth rate is at 4.9 per cent. That means that with that kind of growth unemployment in this country will be reduced because more jobs will be created, and as we all know, unemployment is a major headache to this country. And the sooner we deal with it the better. There is no better way of dealing with unemployment than having a good healthier economy which will ensure that more of our youths are able to get employment. We know that the Minister could have done much better were it not that the prices of commodities continue to fall. We export to the developed countries, but they pay peanuts for our goods, agricultural commodities and raw materials. However, when it comes to importation from those developed countries, we pay through the nose because the cost of manufacturers continue to go up, while prices of our commodities continued to dip. But there is nothing the Minister can do about that, except that we should continue to improve our costs of production, so that we may not be hit seriously. The Minister could have done even much better if it were not that the developed countries, the major industrialised countries also have been going through difficulties at times. Their economies have been going through very difficult times and when they are in that state of stagnation, it is obvious that they would not be in a position to buy more from us. They could not buy from us because of the conditions in which they are, that is, where their economies are stagnated. But from the reports we are receiving, I think most of the economies are improving, and we hope that our trade will improve and they will be able to buy more from us, and our economy will improve.

The Minister could have done even much better if it were not that the farmer, who is the backbone of the economy of this country, has had a very difficult time. Because of liberalisation, the farmer has been left much on his own and he is not finding it easy. The farmer does not find it easy to finance the operations of growing food. In the past, we had seasonal loans from Agricultural Finance Corporation (AFC) at reasonable interest rates. But these loans have since dried up, and the farmer is virtually left to fend for himself. That way, the farmer is finding it very difficult. Although the farmer is doing his best to contribute to the growth of our economy, he cannot do much because he cannot plough the same area that he used to plough. He cannot put enough fertiliser because it has become too expensive, considering the fact that the farmer has to finance himself. So, it would be of great help to this country if AFC was re-activated or even better than that, if we could consider and find away of having a Farmers' Bank; a bank which will give loans to the farmers at reasonable rates, seasonal credit as well as long term credit. It is obvious that at the moment, to go to commercial banks is suicidal for a farmer. The interest rate which is over 30 per cent cannot sustain farmers' operations. Therefore, it would help a great deal if we can think of how the farmer can be financed. That way, the farmer will be in a position to contribute much more to the economic growth of this country.

Mr. Deputy Speaker, Sir, I remember last year the Minister for Finance imposed the Presumptive Tax on seed maize grown in this country. Taxing the farmer, be it Presumptive Tax or any other tax, is extremely unfortunate. It is unfortunate because as I have said, the farmer goes through very difficult times to grow maize, wheat and other crops. But when he is virtually discriminated against because he is a seed grower and he has to pay presumptive tax, it is a very heavy burden. I appeal to the Minister to re-consider that burden which has been placed on the seed grower because the seed grower will pass it over to the farmer who is growing ordinary

commercial maize and that way, it will be passed on to the consumer. So, taxing the farmer that much will not really assist the economic growth of this country.

Mr. Deputy Speaker, Sir, the Minister has mentioned that security also contributes to the decline in the growth rate of our economy. Indeed, when one thinks of refugees coming from states bordering us like Sudan and Somalia; when they come to a third world, a poor country like Kenya, when we have to share our meagre resources with those refugees, naturally, our economic growth is affected. Therefore, we hope that those other countries that have had problems will be able to agree among themselves and bring peace with one other so that they do not have to come over and take away the little that we have in this country.

Another area that we know would contribute a great deal to the economic growth of this country is the co-operation among the East African countries. We all know that the fisherman will always spread his net around the area he is because he can only fish within the area in which he is. Therefore, it is more advisable for us to trade with our colleagues in East Africa and in Africa before we go very far.

Mr. Deputy Speaker, Sir, the question of roads has always featured in our speeches in this country. I know that no investor, would be bothered to invest in a country where the roads are in a miserable state. Those of us who live in Lang'ata area know that we take about one and a half hours to drive from Lang'ata to Parliament Buildings. This is a very short distance. I am sure that no investor, who goes through that kind of roads, would even want to recommend or be a good ambassador on our behalf. It is our hope that roads will be attended to so that investors can come in a big way and that will assist in our economic growth. Talking of roads, I know that the Minister has been setting aside a lot of money for the construction of roads. But it is most regrettable that Mount Elgon district has not been benefitting from any of that money. It is of great wonder that the Minister for Public Works and Housing visited Mount Elgon recently with all his team, from the Permanent Secretary to all the Engineers and the others, but when one looks through the printed Estimates, they forgot Mount Elgon completely.

Would I assume that, probably, there is a mole somewhere, who is making sure that monies meant for Mount Elgon are diverted to other areas? I hope that something will be done because we also need roads so that we can join other Kenyans in development.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Nyanja:** Thank you, Mr. Deputy Speaker, Sir for giving me this opportunity to say a few things about the Kshs50 billion contained in the Financial Statement.

This is yet another chance which our Government has to try and use to govern properly. They should not say that they do not have money. I am a Member of the Public Accounts Committee and what I have learnt over the years is that money has always been voted by this House, but it does not reach the intended areas. Therefore, the Minister for Finance has done his job, but he requires the Accounting Officers in the various Ministries to put the money voted here into the intended purposes. There is no point in passing money here and we do not follow it up to see what happens and what is being implemented. I think the Ministry for Finance has a job to do. They should have a closer look at the Report which we are going to table in this House as Members of the Public Accounts Committee because it is going to tell tales and some heads will roll.

What I am trying to say is that this is a lot of money but it will not reach its intended destinations. Before this money has even been dispatched to the various Ministries, a political statement has already been issued that the Minister for Health should make sure that the money voted in Parliament to the Ministry should go to the DDC, so that the DC can control this money and disburse it accordingly. We have had to summon quite a number of District Commissioners from all over the country for having looted public money. We in the Opposition understand the concept of the DDC as introduction of indirect Majimbo. Why do we have to have DDCs? They are not the Accounting Officers. We have the PSs who are people who have degrees and they are accountable for their deeds but the DCs are political appointees and they feel that it is their time to eat when they are there. We had a very corrupt DC in Kiambu District called Samuel Oreta. He is the richest District Commissioner I know and he has been transferred from Kiambu to his home district in Nyanza Province. I take that DC as an example, because he is one of the most corrupt civil servants I have ever seen. He made sure that he looted all the money allocated to Kiambu District.

**The Minister for Labour and Manpower Development** (Mr. Masinde): On a point of order, Mr. Deputy Speaker, Sir. Is it in order, that the hon. Member should discuss an individual who is not in this House to defend himself?

**Mr. Nyanja:** The Minister for Finance has requested this House to approve Kshs50 billion. I would like to tell the Minister that if he is not careful, we will vote this money to enrich individuals. That is a statement of fact and I must substantiate by what I know. I come from Kiambu District and I know what Mr. Oreta used to do. Even the court has said that he was very corrupt. He had to be transferred. It is only some political connections through the likes of Kanyingi and others that he was reinstated. This particular civil servant had to

be---

**Mr. Achola:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for hon. Nyanja to refer to DC Oreta as very corrupt when we know that all DCs in this country are corrupt?

**Mr. Nyanja:** Although DC Oreta happens to be hon. Achola's tribesman, he does not have to defend him. A thief is a thief whether he is a Luo, Kalenjin or a Kikuyu. I have to substantiate because I do not have to say that all the DCs are corrupt. I have to give a specific example. So, it does not make sense for the Head of State to say that we shall give the Kshs50 to DCs in the country, unless somebody has a hidden agenda. These DCs have been appointed by somebody. They can be instructed to contribute to the National Youth Development Programme. This money will thus find its way to other destinations.

The National Youth Development Programme is related to corruption. There is nothing like that project.

We in the Opposition call it National Youth Defection Programme. This money has nothing to do with developing the welfare of the youth. It is meant to woo people from the Opposition and pay them. That is why we have told the majority of Kenyans who happen to be in the Opposition to reject this idea and not to contribute at all. After all, this money will come to them through defections. May I warn the KANU Government that although the Minister for Finance means well when he presents this paper, I do not know where he goes after leaving here. If you want to help the youth, you should have submitted your development programme proposal and structure of development. How will you help the youth in the entire nation. We have had other Harambees like in Kathiani, Fund for the Disabled and many others. Can anybody from the KANU Government, including the Minister for Finance tell this nation the number of disabled people who have got wheel chairs out of the Kshs80 million which was raised.

When we talk about development, we should be sincere to ourselves as a Parliament and then as a nation.

The Minister of State in the Office of the President said recently that there will be no more tribal clashes in Molo. For him to have said that, he must have been in a position to engineer tribal clashes. I challenge hon. Kones as a Minister and as a colleague in Parliament to come out clearly on that issue. They have seen that the people living in Molo have no grudge against each other. They can give votes to the parties of their choice, KANU included. This is liberalisation in politics. In FORD(A), FORD(K), DP, KANU, KENDA and PIC, we have Kikuyus. I want to tell the KANU Government that it should not be duped because of the few votes that we have given to it. It is only that we want to be nearer to you so that you can give us money, because you have starved our people but when the General Elections are called, we shall treat you the Kipipiri way. We shall shave you with the Kipipiri razor blade.

An issue of human rights has been raised here. A former Member for Nakuru North, Mr. Koigi wa Wamwere is still behind bars and yet he has committed no crime. He has not even been allowed to go and bury his dead father. I now appeal through you and this august House, to the Head of State to use his powers to release him as it used to happen during President Kenyatta's time, to release Koigi wa Wamwere to go and bury his father? This is not a joke. We are so peaceful as a community. The Kikuyus have been so patient with this Government and we feel that you are taking us for granted. I am giving---

**Mr. Munyasia:** On a point of order, Mr. Deputy Speaker, Sir. I am seeking guidance from the Chair. Is it through Parliament that we make applications for clemency to the Head of State?

**Mr. Nyanja:** This is the august House and it is the most privileged House and this is where we are talking about Kshs50 billion. There is no issue which we cannot talk about here. I am talking here about human rights. One of us has not buried his father who is still lying in the mortuary.

**Mr. Deputy Speaker:** Hon. Nyanja, I think we are talking about the Budget Speech.

**Mr. Nyanja:** Mr. Deputy Speaker, Sir, it is true that we are talking about the Budget Speech. The majority of my community pay taxes and this is the relationship they have with the Budget Speech. We pay taxes and when we do so, we would also like to have reciprocation. No taxation, no representation.

**Mr. Mwiraria:** Mr. Deputy Speaker, Sir, thank you for giving me an opportunity to say a few words concerning the Budget Speech. Let me start off by congratulating the Minister for Finance for a brief but very pertinent Budget Speech. But let me join hands with those other Members of Parliament who have spoken before me, particularly on the National Youth Development Fund. The longer we continue discussing this matter, the more complex it becomes. Last weekend in Meru, I joined a group of workers who were building a bridge so that vehicles can pass across a river and while I was there, an Assistant Chief who did not know me came to join the workers. He then went on and called a few people aside and started asking them to contribute Kshs. 85 each for the National Youth Development Fund and in the process, pay annual contributions to be members of KANU. Now, I would really like to appeal to the Minister for Finance when he comes to reply to this debate, to tell the House what exactly this National Youth Development Fund is. Is it a conduit for recruiting wananchi to KANU or

is it a Fund to which I can go and recruit youths who will benefit from it even though they may not be KANU members? That point is very important and as I have said I happened to be present and an Assistant Chief known as Mr. Kiruthi started collecting Kshs. 85 from everybody so that they can be members of the National Youth Development Fund and benefit from it and in the process, they were to be automatic KANU members. Is this really what we are talking about or are some people acting without knowing the truth about the Fund? We need to know this.

Mr. Deputy Speaker, Sir, the second point which I want to mention relates to the local Government. In his Budget Speech, the Minister for Finance clearly points out that the local authorities have become a big burden to the Government for two major reasons. One is that they do not have sources of revenue and the second reason is this and I quote:-

"The management of the local authorities was found by painful experience to be inadequate to the task".

How can you manage that which you do not have? Most of the local authorities do not have enough funds to even pay the salaries of their employees and yet we expect lots of services from them. My submission is that time has come for the Kenyan Government to devolve power and sources of revenue to the local authorities so that in future, we can hold them responsible for providing such services as water, repair some of the minor roads, education, health and so on.

Mr. Deputy Speaker, Sir, the Minister for Finance does not seem to be very keen but the point that I am really making is that time has come for Kenya to devolve powers and responsibilities to the local authorities; to a point where the locally elected councillors are held responsible for providing services to their own people. This can only be done if they are given financial resources which they lack today and my contention is that time has come for the Minister to divide the sources of revenue between the Central Government and the local authorities so that the local authorities have enough funds to provide basic services to their own people. The over-centralization of services today does not help anybody. We talk about District Focus for Rural Development which in my view is completely redundant, totally useless and should be scrapped forthwith because each year, we sit here and approve Budgets which appear to give funding to district projects which are removed at the supplementary stage, thus completely negating the very effect of voting funds in the first instance. If I may say what happened to Meru District in the last Budget, we were given funds for roads, Timau dispensary, some water projects and for rural electrification and only 20 per cent of all the funds voted ended up in Meru. I would rather, that money was voted directly to the local authorities because then we will know they will use the money and the money will not be channelled elsewhere.

Mr. Deputy Speaker, Sir, my other point is that in the present Budget Speech, the Minister for Finance talks about poverty alleviation. The President chaired a high powered conference about three years ago on poverty alleviation. Since then funds have been voted every year for this purpose and the question which I would like to pose here although the Minister mentioned a few items in his speech is: What actually does this money set aside for poverty alleviation do? I am a member of the District Development Committee (DDC) in Meru and for the first time, it is only on Monday last week that I heard that the district was likely to get a little money for a water project. What has been happening to all the money? Are there some districts which benefit from this Poverty Alleviation Fund while others do not? At least, so far, during the last two years, we have not got anything from this fund in Meru. So what is it that is really being done with this money?

Mr. Deputy Speaker, Sir, here the Minister hopes to spend K£60 million. He hopes to use this money to alleviate poverty amongst the rural and urban poor. He even lists areas where that help will be. He says that in the rural areas, increased funding will be provided for priority intervention to rehabilitate minor roads and stock roads. We cannot know in which areas this is likely to happen. He further says that he will increase the availability of low cost crop storage facilities. Where and for whom? We need to know. The Minister also says that he will improve access to unpolluted water both for human and livestock consumption. How do you get unpolluted water if you do not even get a drop of water? Should we really not be providing water, instead of the niceties of unpolluted water and so on? The list goes on and talks about enhancing district and locational health-care and to encourage workshops for artisans. Where are all these projects going to be? Are they really or imaginary purely to persuade MPs to approve the Budget for you? Mr. Deputy Speaker, Sir, let me make a remark on health. Meru District Hospital is notorious for having heavy women waiting to deliver, sleeping outside under a tree. They will be doing it tonight and they do it every day. Could the Ministry consider putting up a shed for these patients who travel long distances, so that they can have a shelter while they wait to deliver?

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** The hon. Member for Westlands.

*(Mr. Gumo was still on the Floor)*

Order! Order! Had you already spoken on this subject?

**Mr. Gumo:** I have not yet, spoken, Mr. Deputy Speaker, Sir.

**An. hon. Member:** Mr. Gumo!

**Mr. Deputy Speaker:** Are you sure?

**Mr. Gumo:** Yes, Mr. Deputy Speaker, Sir.

**The Minister for Health (Mr. Angatia):** Mr. Deputy Speaker, Sir, he spoke on the Vote on Account.

**Mr. Deputy Speaker:** Hon. Fred Gumo, my list shows that you spoke on 20th June, 1996, the Third Allotted Day. Hon. Minister for Health.

**Mr. Munyasia:** He has forgotten the procedures in here!

*(Laughter)*

**The Minister for Health (Mr. Angatia):** Thank you very much, Mr. Deputy Speaker, Sir, for giving me a chance also to make my contribution to this Budget Speech. I want to thank the Minister for Finance for working out this very reasonable and balanced Budget. Obviously when a Budget is formulated, there will be people asking for more and more money, but where the money comes from there is a limit. So we will speak and complain, but the kitty is limited. I am hoping that as we argue that the Minister should have given us more money, we are going home to urge our constituents to produce more. It is only by our constituents producing more that they will have more money. If our people do not produce more, we would not have enough money. There is still a lot of potential in most of our areas, particularly in farming and even also where small business enterprises are concerned. There are people who have not been producing and contributing to the wealth of our economy as they should have been.

Mr. Deputy Speaker, Sir, we are---

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. The Minister is urging the people to produce more and at the same time, he is telling them to plan their families. Is he in order to contradict himself?

*(Laughter)*

**The Minister for Health (Mr. Angatia):** Mr. Deputy Speaker, Sir, it is true that I tell people to plan their families, but I am talking about the economy, producing more money from our shambas and kiosks. The idea of a National Youth Development Fund (NYDF) was conceived by the President and many of us support it. We support it because we think that in this way, we will mobilise money through Harambee spirit. The hon. MPs on the Opposition should know that the Harambee spirit is based on those who have a little surplus money bringing it forward to a common kitty where it can be used to develop national and community projects, which otherwise could not be provided with funds from the Treasury.

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

**The Minister for Health (Mr. Angatia):** Mr. Deputy Speaker, Sir, it is simple common knowledge that in each of our constituencies, there are people who have more money than others, and there are some who have so little and they cannot contribute any. Also there are others who can spare a few shillings and if put together in one pool, it could be enough to start something. We could start an eggs project, instead of people in my colleague's Constituency or my Constituency waiting for eggs to come from Limuru. We would be able to produce some little eggs in Malava and Webuye, and sell them, and the economy will grow. We do not need millions of shillings to start projects like that if we organise our youth properly.

Mr. Deputy Speaker, Sir, the NYDF is not a Party affair. Members of Parliament on the Opposition know it, but because they do not have much to say, they will keep telling us the same things which everybody has known. Even the youth in their own constituencies, in the Opposition strongholds, know that this money is non-partisan and is supposed to help them organise themselves to produce a few things in their shambas and kiosks, and so on, so that they can contribute to the economy of this country and to their own income generating activities and have money that they can use for various purposes.

Mr. Deputy Speaker, Sir, I note that we had a project of this kind when we introduced the Small Enterprise Fund Scheme. This Scheme functioned under the DDC, and I would like to join my colleagues who have urged that, that money that was given out to form a revolving fund, should be recovered. The DCs and DDCs should make sure that whoever was loaned this money repays, so that others who want to borrow from it, can also borrow. I would also urge my colleagues, MPs, that when we go to our DDCs, let us insist that the list of

those who were loaned this money be produced, so that we can identify them and they should be made to repay because if that is done, there would be more people who will be borrowing it. This was given to the general public, but the NYDF is specifically meant for the youth. We have been promised and we support this that soon or later, when this Fund has been launched and gone on successfully, we shall launch another one for women.

Mr. Deputy Speaker, Sir, we have to get our people involved. There are too many people in this country who are idle. There are too many people who are depending on others and the ratio of dependency in this country is among the highest in the world. We have to find a way of engaging these people and if in our national Budget, there is not enough money to construct huge roads or dams, and to do all these other things, let us look for money where it can be mobilised. We know that it can be mobilised through Harambee and invest this money in projects, however, small they may be, to get our youth, women and all these other people engaged. Mr. Deputy Speaker, Sir, I do not know about your areas or other areas, but when I pass through Rift Valley, Nyanza and Western Provinces, I do see people loitering at market places. These people could be productive and they could be doing certain work that could help them. We do not need huge sums of money to plant a small plot of vegetables or to develop a little project of kuku or cabbage or selling njugu. These are small things which, first of all, can be started with a little amount of money.

Secondly, it is from these small projects that our people will learn how to use their time properly and how to engage themselves in various income generating activities, and then they would grow along and as the money grows, they will also expand their business capacity to be able to handle in large projects or income generating activities. Therefore, the Opposition MPs should not talk for the sake of talking. I would like to challenge them.

Let them go out there and tell their youth, that they do not want them to participate in this Programme and that they do not want this money to be brought to their areas and that they do not want the youth in their own constituencies to participate in this Programme.

Mr. Deputy Speaker, Sir, they will be taught a lesson by their own youths. Therefore, I do not think that the Minister for Finance needs to worry too much about those who are opposing, because they are talking here, and I do not think they can talk like that in their own constituencies.

Mr. Deputy Speaker, Sir, we have a liberalised market economy at the moment. Liberalisation means that there is increased democracy. Increased democracy means people are participating more and more in the activities of this country; productive activities, distributive activities, politics, church activities and even social welfare organisations. Wananchi are now participating more and more. By participating more and more in the activities of this country, they get enlightened, they can have a say in things that are happening in their own areas, be it construction of a church, a school, a bridge or how to run a health centre or what system to use to appoint leaders to take care of the distribution of food in those areas where food is distributed. This is increased democracy, and wananchi of this country are ready to participate, we should encourage them to participate. I would have liked Members of the Opposition to contribute to increased democracy by encouraging people to participate more and more in development activities instead of preaching day-in-day-out against KANU, against the President, against the Government. They are benefitting from the Government, they are sitting here at peace with KANU people, they are sitting with the President, when they get to their own people there, they preach hatred and dislike and yet here we are sitting with them they are not disliking us. I think this is---

**Mr. Shikuku:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister to mislead the House that we sit here friendly, when we are all the time attacking him, particularly him, the Minister, for doing nothing for the people.

**The Minister for Health (Mr. Angatia):** Mr. Deputy Speaker, Sir, I have never known that anyone has attacked me here. Mr. Deputy Speaker, can you allow people to attack me here? I do not think that has ever happened. So, nobody has ever attacked me here. There is thriving democracy both on the Floor here and outside there, and Members should not go outside there and mislead wananchi. Democracy is not the way Opposition understands it. It is not equal to removing KANU or removing President Moi from power. After all, wananchi of this country like KANU and President Moi. In 1992, we removed Section 2A of the Constitution and everybody went to ask for votes. We always go to ask for votes, we were in Malava recently and we asked for votes for councillors, hon. Munyasia came there and asked for votes and the people decided to elect a KANU candidate. Which democracy are you asking for? Not only when they will vote for FORD(K) that there will be democracy. Democracy is here to thrive and it is doing very well. I want to tell my colleagues that, do those things you want to do under democracy now, under President Moi and under KANU. You will never do them under any other system. Therefore, do not spend your time and valuable energy calling for a national convention.

Because we are not a new state. Mr. Shikuku here always tells us that he participated in the national convention at Lancaster House, and you do not do it every other year. You do it once, Mr. Shikuku, you did that time, and the affair ended. What other national convention are you asking?

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

**Mr. Githiomi:** Thank you very much, Mr. Deputy Speaker, Sir, for giving me a chance to contribute to this Budget Speech. As pertains taxes, Kenyans are overtaxed very much, particularly---

**Mr. Deputy Speaker:** Order, Mr. Githiomi. My record shows that you contributed to the Committee of Ways and Means debate, on the 19.6.96, Second Allotted Day, hon. Mwangi Githiomi. Is that you?

**Mr. Githiomi:** Mr. Deputy Speaker, Sir, could I speak on behalf of those people who were not contributing?

**The Assistant Minister for Local Government (Dr. Wameyo):** Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. A lot has been said about the Budget, and I want to make a little contribution. This country is going to take many years before it is industrialised. We are going to face a lot of unemployment and, therefore, we have companies in which the Government had an interest and because of liberalisation and pressure from the World Bank and IMF, the Government has been forced to sell some of these companies. Of course, some of them have not been making profits, but for certain reasons that have been exposed by the Public Investment Committee and the Auditor-General (Corporations) Report, it is my view that when these companies are being privatised, the citizens of this country should be given priority to buy the shares owned by the Government particularly when the Government decides to off-load those shares. Otherwise, if they are given to foreigners as it is being done in certain cases, as pressure is being applied that it must be given to certain people, we are going to remain unemployed and particularly those of us who come from the sugar belt. We will very much like our Government to give the farmers priority to buy those shares.

**Mr. Munyasia:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has said that pressure is being applied from elsewhere that shares in some company should be sold to foreigners. Could he substantiate that pressure is actually being applied from elsewhere?

**The Assistant Minister for Local Government (Dr. Wameyo):** Thank you very much, Mr. Deputy Speaker, Sir. I will plead with the hon. Member to give me time, I am coming up with it. I was just merely introducing the matter and I was going to substantiate because I have the papers. If I start by substantiating, it will interfere with the arrangement of what I wanted to say.

Mumias Sugar company, to be specific, is a company that is owned by the Government and the Government owns 70.76 per cent, Commonwealth Development Corporation owns 17.18 per cent, the Kenya Commercial Finance Company 5 per cent, Booker takes 4.41 per cent and East African Development Bank 2.65 per cent. When the issue of privatising Mumias Sugar Company came up, I came with a suggestion that the Government shares should be sold to the farmers who produce 90 per cent of the cane that is crushed in that Company. The General Manager of that company, who was from London, called me and drew my attention to a phrase in the Articles and Memorandum of Association which said, "Any partner in the company who decides to sell his shares, priority must be given to the shareholder and not anybody else from outside". I told him that the Government has no money of its own. It gets money from the taxpayers, and we being the taxpayers, are the ones that gave the Government the money to buy shares in that company and, therefore, we had a right. In any case, despite this thing of pre-emptive rights, the land on which cane is produced is still ours. It does not belong to those people. We have a problem in Mombasa where the cashewnuts factory was sold to people who were not the producers of the cashewnuts. These people are having a problem in getting cashewnuts to crash in that factory because the people who produce the cashewnuts were not considered. Therefore, we in Mumias are requesting the Government that we be given priority to buy these shares.

On the 10th of this month, there was a small meeting with somebody who called himself the chairman of the Privatization Committee. He said that the Government is going to off-load the shares and the farmers are only going to buy shares worth Kshs1 billion. So I asked them what percentage that would be and he said that it will be 20 per cent. I asked him who was going to buy the remaining 20 per cent if the Government was going to off-load 40 per cent of its shares and I was told that some other people would be given the other 20 per cent. When the Government pulls out of Mumias Sugar Company, the farmers will have no representatives. From what I know, it is the Government that has been taking the interest of the farmers. The farmers have been complaining to the Government and it takes action. When it pulls out, nobody will be able to represent the farmers and as I know our friends who are running this company, before I became a Member of Parliament, they used to produce funny reports that Mumias Sugar Company used to make big losses because of drought that prevailed and, therefore, they could not declare dividends. I once stood here and said that I was born in Mumias and I had never seen drought there. From that time, they stopped writing that in the annual report and they started giving the Government dividends. Now, if the Government pulls out and we are not represented, we are going to be in a big mess and, therefore, the farmers who have been earning a living from selling their canes will have a big problem.

I would like that point to be considered.

Farmers should be allowed to buy shares which will make them to sit on the board of directors so that they will have a say because these friends from London look nice but they are not. I did not know that they can also be corrupt. I have been very surprised that eventually it has come out because at that time, they were syphoning money and sending it to London and telling the Government that they had made losses. This was happening when our civil servants were sitting on the board of directors and they never raised a finger until I came here and got a long letter from London asking me why I was talking the way I was doing yet I was an Assistant Minister and the Government had 71 per cent in the Mumias Sugar Company. I wrote back telling them that I was glad that London knew what was going on in Mumias. From that time, the Government has been earning a lot of dividends. We would want to be assisted to acquire these shares because we were told that shares are going to be off loaded and by 30th September, 1996, we should be buying shares worth Kshs1 billion. Of course, we have started collecting money and to date, farmers have collected Kshs62 million and by 30th September, they will be having about Kshs219 million. This means that they will require some money from somewhere else. The farmers have asked me and the other Members of Parliament who come from the Mumias sugar zone to go and discuss the matter with the Minister for Finance to see how they can be assisted.

**Mr. Shikuku:** You can recruit us.

**The Assistant Minister for Local Government (Dr. Wameyo):** But you do not plant cane. We want shares worth Kshs2 billion so that we are able to sit on the board.

Mr. Deputy Speaker, Sir, certain sugar cane producing companies have been run down. An example, is Nzoia Sugar Company. The man who ran down Nzoia Sugar Company wanted to come here, but people of Kimilili Constituency did not vote for him. I know he is making a lot of effort to come, but I hope he may not come. This is because, Nzoia Sugar Company has big problems. It has fake machines in it, and it does not crush enough cane. As a result, farmers have not been paid for a very, very long time. If Mr. Mwangale came here as an hon. Member, he will upset the farmers of Nzoia Sugar Company for a very long time.

With those few remarks, I beg to support.

**An hon. Member:** You said the same about hon. Gumo, and he is here in this House now!

**The Assistant Minister for Local Government (Dr. Wameyo):** I do not know about that.

**Mr. Deputy Speaker:** Order! Order! There being nobody who wants to contribute, I will now leave the Floor to the Assistant Minister for Finance to reply.

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, thank you for giving me the Floor to respond to hon. Members contributions on the Budget Speech by hon. Mudavadi.

In responding to hon. Members contributions, I avail this opportunity to thank hon. Members for very lively debates and very constructive criticisms as well as suggestions. I want to acknowledge the fact that some 89 hon. Members spoke on this Budget. This is very commendable, indeed.

I have been sitting here taking notes from the day we started the Committee of Ways and Means, and I would like to just make some preliminary observations first, and then I will go to specifics of what hon. Members spoke about, the clarification that they needed on various issues, and then, I will conclude my remarks by making general appeal to not only officers, but also to Kenyans as a whole, in so far as the Budget is concerned.

Mr. Deputy Speaker, Sir, the Minister for Finance in his Budget Speech said, as hon. Members have stated, is indeed, a tool for the economic management of this Republic. In that spirit and statement, the Minister touched upon various issues. He reviewed the world economy, trends within the Kenyan economy, policy framework and the macro-economic stability and investments and growth, physical policy to be followed, monetary policy to be followed and then went on to propose the taxation measures that would be employed in the ensuing year, in order to earn revenue that would finance the expenditures.

Mr. Deputy Speaker, Sir, hon. Members will, indeed, have ample time again to debate the more-or-less the same issues when we come to the debate on the Finance Bill and during the Committee of Supply. What I will not be able to cover here in terms of their worries, concerns and suggestions, will be taken up in those debates.

Mr. Temporary Deputy Speaker, Sir, I must, however, touch upon a number of issues that have generated a real heated debate. I have almost 22 items that have been repeatedly mentioned by hon. Members both in the Opposition and Government sides. I think it is only fair that I should offer some clarification by giving the reasons behind the incorporation of these items into this management tool, which we call "the Budget". One of the issues that have really created heated debate--- I am not taking the items in any particular order, but I have tried as much as possible to put weight on them depending on how I felt hon. Members treated them. After all, I have 25 pages of notes, but I have tried to condense them into some four or so pages of notes.

The first issue is the National Youth Development Programme (NYDP). Without repeating what the

Minister has said, I would like to reassure this House and the country at large, that the Government considers that there should be the National Youth Development Programme, for which funds should be provided in the Budget.

**Mr. Shikuku:** Where is the White Paper on it?

**The Assistant Minister for Finance (Mr. Keah):** Mr. Temporary Deputy Speaker, Sir, not every project provided for in the Budget, has a White Paper produced for discussion in this House. This project is part and parcel of the general framework which is contained in Sessional Paper No. 1 of 1986. The NYDP is just like the school fees Bursary Fund, which did not have a sessional paper brought here before it was introduced. We merely provided funds for it because we, as the Government, felt that was the best way of running this country.

So, because we have provided for this project in the Budget, it is incumbent upon hon. Members to debate it. Indeed, suggestions have been made as to who should run the Programme. It has been asked whether the programme should be implemented by the district development committees or by a committee of its own. We have taken note of that. Therefore, when debating the Finance Bill and supply votes, we will certainly have more opportunity to digest the nitty gritty of the modalities of administering it. I want to mention one other point on the NYDP. We have the school fees Bursary Fund, but every day you hear of a bursary fund Harambee for a student, a particular location or a constituency. What the President has done is to recognise the need to augment what is in the Budget for this Programme through the Harambee effort, which is something we all know about. Let that matter lie there at this point in time. I appreciate that hon. Members will still have more time to debate on it. But, indeed, I am very grateful for the contributions that have been made. They have enriched the modalities of operation of this particular Programme. We have taken note of that. Indeed, we have noted the opposing views because these tell us in which particular way we should proceed. So, we want to be grateful for opposition to this Programme. This is because it has consolidated our belief that we should, indeed, proceed with the NYDP.

The second point that generated a lot of debate is the Road Maintenance Levy. I want to merely acknowledge the fact that a lot of criticism has been voiced about the maintenance of our roads and the fact that roads throughout the country have fallen into shambles. The Minister for Finance, hon. Mudavadi, has acknowledged this aspect in his Budget statement. Indeed, throughout the Budget, he has stated that we want to bring our roads back to respectable standards, hence the increase to 60 per cent of development funds to be spent on infrastructure. What we will need to see, and I agree with hon. Members, are programmes; analyses of the roads that are to be done. We will want to see for example, for the 1995/96 Financial year, an analysis of the roads that have been done so that they can be shown here and for everyone to see. In this respect, we have called upon the Minister for Public Works and Housing to be ready to produce that analysis because we too, including the people of Kaloleni, would like to know how many of our roads were in fact done through that Fund.

Mr. Deputy Speaker, Sir, we have increased the Levy because, really if we want more roads to be done, we must have more money, and the only way to get more money is to increase the Levy. But, I concur with the hon. Members that the matter must be really transparent and I would urge hon. Members to actually ask for expenditure analysis through their DDCs so that they can see how these funds have been utilised.

The third point, Mr. Deputy Speaker, Sir, that produced a lot of very lively debate, was the import duty on kerosene. The import duty on kerosene has two purposes. One is to generate revenue and in this regard we expect to raise Kshs1 billion in revenue through the proposal that has been taken.

**Mr. Shikuku:** Take it from beer!

**The Assistant Minister for Finance (Mr. Keah):** Mr. Deputy Speaker, Sir, I need your protection. We will have more time on this. I am merely explaining reasons why we did so. One is the generation of revenue and it is going to generate Kshs1 billion of the revenue which we require for purposes of financing Government expenditure; both Development and Recurrent. The second point is that, there has been some misuse of kerosene.

There was no duty on kerosene whatsoever and hon. Members will realize that we reduced the duty on kerosene and only a few years, we removed it altogether. We appreciate the fact that benefits accrued to the poor of our society by having duty-free kerosene. That we acknowledge and we appreciate. But what has been happening is that, this facility, provided for the poor, has been misused primarily by people taking kerosene and mixing it with diesel. After looking at the statistics and the figures relating to kerosene and what the consumption is, and the duty, we have realized that some of it is in fact sold across the border where with our low duty it is much cheaper there and people have been making a kill out there. What we have done therefore, is to rationalize the duty so that the kerosene cost in Kenya, Uganda and Tanzania, particularly in view of the East African Co-operation, has in fact, been harmonised. So, when we cry for the East African Co-operation, it also does have its effects.

**Mr. Shikuku:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Assistant Minister in order to mislead this House about this mixing of paraffin with diesel and the rest? Is this really done by a lady or this poor

woman from his constituency or Butere? It is not the common man who is doing this mixing. For example, in Kaloleni there is no woman who is mixing this. Is he in order to try and mislead us?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Deputy Speaker, it is the industrial consumers who have been doing this inclusive of matatus operators as well. Some of them have been mixing kerosene with diesel in order to get a mixture which is less costly because kerosene has no duty on it. The mixture of the two gives you a product that has a lower cost than if you used diesel alone. The introduction of this duty has two purposes; it is a management tool, and that is what the Budget is all about, and it is also revenue generating tool. I am merely trying to explain the reasons why we went behind and did what we did.

The generation of revenue and the need to spend more in our development and running the country has a cost. This is, indeed, part of the cost and every one has to share and we have to be realistic and practical about that.

The next point was the withholding tax on interest. As Ministry of Finance, we have to generate the revenue and will be fearless in generating that revenue.

Mr. Deputy Speaker, Sir, let me now proceed on to the other points that generated a lot of heat, that is withholding tax on interest income. This was merely a revenue move. The interest on income is really for the purposes of generating revenue which we need to finance our expenditure.

Mr. Deputy Speaker, on the tax on NSSF benefits, some hon. Members felt that taxing benefits to contributors under the NSSF scheme was unfair. It may sound unfair, but if we go to page 32 of the Minister's Speech, it is pretty well explained what the intention was. We would exempt the NSSF benefits provided that they converted the Fund into a pension. On page 32 on the Minister's Budget Speech it is amply explained as to why we want to do what we want to do.

The next point is on poverty alleviation. This also generated a lot of heat. Some hon. Members alleged that the Budget had no proposals on poverty alleviation, and they asserted that if one looks at the Jua Kali Sector one could not discern any project introduced by the Government to improve own its commitment to the sector. Let me just respond a little bit to this. Poverty alleviation, indeed, is a big over-embracing terminology or nomenclature. What we are trying to do is that there are a number of programmes within the Government which all together sigma cumulative will provide what we call poverty alleviation. I can only mention a few by way of examples; the Rural Electrification Programme, infrastructure maintenance and development for which 60 per cent for the Development Expenditure has been provided. The infrastructures include roads, water provision, poverty alleviation, bursaries and so on. Indeed, we can even say that the reduction of the duty rates on "mitumba" and so on is part and parcel of those efforts.

The Government has also recognised that co-operation with NGOs will assist particularly in the provision of credit to the Jua Kali. This is, indeed, part of the efforts that we have done. I might even add, not with tongue in cheek, that even the Kshs200 million for the National Youth Development Programme (NYDP) can be embraced as part and parcel of the Government's efforts towards poverty alleviation.

Let me also go to one other point and this is that the interest rates are much higher than--- In fact, the rate of inflation shows and there is no correlation between these two. All I can say is that interest rates are as a result of market forces, and lower rates will result in a number of macro economic factors. In other words---

**Mr. Achola:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is misleading the House because in the Printed Estimates, we have K£9 million put in for the NYDP and he is talking of K£10 million. Could we be assured of the correct figure?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Deputy Speaker, Sir, we will look at that. If I may proceed, because as you know, I do not have the Printed Estimates with me.

**Dr. Lwali-Oyondi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to tell us that the market forces are the ones that are increasing or controlling the interest rates? He knows very well that it is the Central Bank which is giving banks very high interest rates that make them also charge wananchi high interest rates.

**The Assistant Minister for Finance** (Mr. Keah): Mr. Deputy Speaker, Sir, I said that there are a number of factors and forces within the economy that, in fact, will lead to this. If I were to give a lecture on that, it would take more than the allotted time. All I am saying is, some of the factors are: The tight monetary policy, the fiscal policy, the budget, the expenditure and revenue, and all these added together, sigma, will give you the force that eventually determines the interest rates in the market. I can give you a lecture on economics, but that is not the intention here.

Let me say that what is required is to strengthen some of the capital sources. For example, the Capital Markets Authority will create a secondary source of capital formation of availability of capital, and when there is

that additional capital, the competitiveness between the banks and the secondary market will certainly bring the interest rates down. It is all a matter of demand and supply.

It has been mentioned that the Bursary Fund ought to be distributed equitably. Well, I can only make a note that, that has been said. The incentives to farmers have also been mentioned. I would like to say that the Pensioners Bill will soon come here.

**Dr. Lwali-Oyondi:** When?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Deputy Speaker, Sir, it is being drafted. Some hon. Members expressed their disappointment that the Minister was spending more on Recurrent Expenditure than Development Expenditure. All I can say is that we, in fact, have increased the Development Expenditure this year for the first time. From Independence, the trend has been to expand the Recurrent Expenditure to the detriment of the Development Expenditure. We have recognised this, and the Development Expenditure this year has been increased by 10 per cent.

**An hon. Member** *(Inaudible)*

**The Assistant Minister for Finance** (Mr. Keah): Yes, I do appreciate that. It will be happening gradually.

Mr. Deputy Speaker, Sir, one hon. Member said that there is no Budget discipline, and that the Kshs800 million given to Kenya Cooperative Creameries (KCC) was not contained in any Budget. All I can confirm is that, that Kshs800 million was contained in the Supplementary Estimates, which were passed by this House. So, it came here.

Hon. Members have underscored the need for the funds collected through taxation to be well spent and urged the civil servants charged with the responsibility of implementing the Budgetary proposals to display the highest degree of seriousness so as to ensure that the Government is not let down. I could not agree more with those remarks. Indeed, I will only say that in this country, there are certain cultures that have evolved; cultures that are very strange indeed and they are letting us down. The culture of corruption, lack of ethics, abuse or lack of professionalism in the way in which we do our work are the real causes that make us fall short of our targeted goals. These goals will not be achieved by one party but by all of us pulling together.

When we say that we will receive so many billions in revenue, come 1st of July we will not have collected all the revenue. So, when there is a delay in disbursing the funds to the Ministries and the DDCs I would like hon. Members to understand the cashflow delays that are inherent in every sort of business.

I would like to take this opportunity to agree with the hon. Members' requests that implementing officers should not take AIEs as their own personal wealth and property. This is the property of the people of this country. Holders of AIEs must not only be transparent but they should also report back. I urge hon. Members to assist in the monitoring process by ensuring that the heads of departments in their DDCs do explain how the development funds sent to them have been utilised. The Minister has, in fact, introduced a new scheme that there will be a quarterly budget print-out produced and this will certainly help all of us to monitor what we are doing. This will enhance transparency and accountability.

I appeal to all Kenyans to pull their efforts together. The payment of taxes is not a very amusing thing. No one wants to pay tax but we must develop the culture of willingness to pay tax. If we do not, we will not have the revenues. I want to call upon all Kenyans to ensure that it is only through the payment of our taxes that will release us from the burden of having to depend on the foreign financing through and through.

I want to thank everybody who has contributed to this Budget Speech. In thanking everybody who has contributed to this Budget, many hours have been spent by staff in the Treasury, Districts and in other Ministries and I would like to recognise the efforts they have put in making the Budget the commendable document that it deserves.

Mr. Deputy Speaker, Sir, I want to thank the hon. Members again for a very lively debate, for very good criticism and suggestions. We have taken note of this, particularly for future Budget preparations as we are here to stay. We will certainly take note of those proposals and suggestions and incorporate them in future budget formulations.

**Hon. Members:** What about paraffin?

**The Assistant Minister for Finance** (Mr. Keah): Mr. Deputy Speaker, Sir, finally the only thing that will help us go forward in this country is unity. The only thing that will help us proceed with development is not the bickering or the shouting matches with one another; the abuses that we sometimes tend to hurl at one another, but we really must concentrate on the real development issues.

With these remarks, I beg to move.

*(Question put and agreed to)*

**ADJOURNMENT**

**Mr. Deputy Speaker:** Order hon. Members. The House stands adjourned until Tuesday the 2nd of July, 1996 at 2.30 p.m.

The House rose at 6.30 p.m.