

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 25th October, 2001

The House met at 2.30 p.m.

*[Mr. Deputy Speaker in the Chair]*

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

The Report of the Controller and Auditor-General together with the Appropriation Accounts, other Public Accounts and the Accounts of the Funds for the year 1998/99.

*(By the Minister for Finance)*

## ORAL ANSWERS TO QUESTIONS

*Question No.543*

IMPLEMENTATION OF POVERTY  
ERADICATION PROGRAMMES

**Mr. Deputy Speaker:** Mr. Leshore is not here? We will come back to the Question later.  
Next Question, Mr. Mwakiringo!

*Question No.229*

FINANCIAL ASSISTANCE TO VOI YOUTH GROUPS

**Mr. Mwakiringo** asked the Vice-President and Minister for Home Affairs:-

- (a) how much money was received for Voi Constituency Youth Groups;
- (b) how many youth groups were registered and which groups benefited from the National Youth Development Programme Fund in the constituency; and,
- (c) whether he could table a list indicating the groups, amounts received, their respective cheque numbers and the bank account balances.

**The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs** (Mr. Osundwa): Mr. Deputy Speaker, Sir, I beg the indulgence of the Chair, that this Question be deferred to next week, to enable the office of the Clerk sort out which Ministry should answer it.

**Mr. Deputy Speaker:** Is that okay, Mr. Mwakiringo?

**Mr. Mwakiringo:** I have no objection, as long as you give a date when it will be answered.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. I thought there was an organizational chart of departments and Ministries of the Government. So, there cannot be confusion as to which Ministry is supposed to answer this Question! In any case, I thought the Office of the Vice-President and Ministry of Home Affairs is in charge of youth, children and women affairs.

**Mr. Deputy Speaker:** Well, as things stand, this Question has been transferred from the Office of the Vice-President and Ministry of Home Affairs to the Office of the President. Until the Office of the President tells us that they are not responsible or capable of answering it, it will remain with them. I think it is fair that we give the Office of the President the time to come and answer it. I will defer this Question to Tuesday next week.

*(Question deferred)*

*Question No.622*

OVERSTAFFING IN NYERI MUNICIPAL SCHOOLS

**Mr. Mutahi** asked the Minister for Education:-

- (a) whether he is aware that most of Nyeri Municipality Schools are overstaffed while there is acute shortage of teachers in Mukurweini; and,  
 (b) what urgent measures he is taking to transfer all the excess teachers in the urban centres to rural schools in the district.

**The Assistant Minister for Education, Science and Technology** (Mr. Karauri): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Nyeri Municipality Schools are overstaffed while there is an acute shortage of teachers in Mukurweini South and Gikondi Zone.

(b) The Ministry staff held a staff balancing exercise on 15th August this year and 106 teachers were transferred to address the shortage in various schools in Nyeri District. This exercise will be completed in December after the Kenya Certificate of Primary Education Examinations.

**Mr. Mutahi:** Mr. Deputy Speaker, Sir, I would like to congratulate the Assistant Minister for the answer he has given. He has agreed that there is an acute shortage of teachers in Mukurweini Constituency, especially in Rutune Location. It is unfortunate because on 15th August this year, some teachers were transferred to Mukurweini, but none of them has agreed to go and take up their positions. Up to now, those schools are using parents' money to engage private teachers. Could he ensure that those teachers who were transferred to Mukurweini report on duty? As a matter of fact, they refused to report there!

**Mr. Karauri:** Mr. Deputy Speaker, Sir, teachers cannot refuse to go on transfer. When they report to the stations where they are posted, a report is written to the Teachers Service Commission so that they are paid. If that casualty report is not written, they lose their salaries. However, I want to inform the hon. Member that out of a shortfall of 172 teachers in about 61 schools, there is only a shortage of 12 teachers in each of the zones he has mentioned.

**Mr. Kariuki:** Mr. Deputy Speaker, Sir, this phenomenon of overstaffing teachers in municipalities and urban centres is very common. Wives of district heads are normally posted to urban centres at the expense of other rural schools. Could the Assistant Minister tell this House what policy the Government is pursuing to ensure that there is fair distribution of teachers between urban and rural areas?

**Mr. Karauri:** Mr. Deputy Speaker, Sir, the Ministry would like to make sure that there is fair distribution of teachers, but occasionally, we encounter problems. We all know that the Government should not separate officers from either their wives or husbands. We are doing our best to ensure that teachers are evenly distributed.

**Mr. Deputy Speaker:** But, Mr. Karauri, the Ministry is not there to look after men and women who are married; it looks after school children! In my constituency, I have a school which is not even eight years old with 14 teachers, and another one which is 15 years old with six teachers. You cannot tell us that your concern as a Ministry is on matrimonial harmony!

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, what is the Ministry doing to ensure that teachers who have been posted to rural areas find facilities in those areas? One of the reasons why teachers decline to go to these rural schools is because there are no houses, water and other facilities. Why did the Ministry stop providing housing to teachers? How is the Ministry going to make sure that facilities in both urban and rural schools are available to teachers?

**Mr. Karauri:** Mr. Deputy Speaker, Sir, I hope that the hon. Member is not suggesting that the Government should build houses for teachers. Teachers get house allowance and we expect that wherever they go, the parents will sympathise with them and give them proper accommodation.

**Mr. M.M. Galgalo:** Mr. Deputy Speaker, Sir, as hon. Ngenye Kariuki has said, that is a common phenomenon all over the country. Could the Assistant Minister accept that, that is part of poor governance and corruption by the Government? That is the reason why teachers will not leave the main centres to go to the rural areas to serve the country.

**Mr. Karauri:** Mr. Deputy Speaker, Sir, honestly, that has nothing to do with corruption. Members of Parliament and people who are well-off in those areas should try to put up houses for teachers to hire on monthly basis. The Government cannot build houses for teachers all over the country.

**Mr. Otula:** Mr. Deputy Speaker, Sir, I know very well that the Assistant Minister is aware that even if they do the balancing, there will still be a shortage of teachers. What plans does the Ministry have to employ the students who qualified to go and teach in secondary schools?

**Mr. Karauri:** Mr. Deputy Speaker, Sir, we have just completed employing teachers. We hope that if we have more funds next year, we will employ more teachers.

**Mr. Mutahi:** Mr. Deputy Speaker, Sir, I want to put it to the Assistant Minister that he has not got enough information on teachers who have been transferred but have refused. In January, we were supposed to get 99 teachers. Out of the 99 teachers, only 30 teachers reported to their respective places of work. Could the Assistant Minister either go to investigate or tell us--- I am on the ground and the facts are that out of 99 teachers, only 30 teachers agreed to be posted to schools in Mukurweini South and Gethi Location. Could he find out those facts?

**Mr. Karauri:** Mr. Deputy Speaker, Sir, unless the hon. Member has a particular case of a teacher whom he knows did not report, the information that I have is that all the 116 teachers have reported. In fact, I have their names, Teachers Service Commission (TSC) numbers and the schools they were transferred to.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. If there is a dispute between the Assistant Minister and the hon. Member, and he says that he has a list, why does he not table it here, so that we can verify the information?

**Mr. Karauri:** Mr. Deputy Speaker, Sir, I hereby lay the list on the Table.

*(Mr. Karauri laid the list on the Table)*

*Question No.571*

PAYMENT OF RETIREMENT BENEFITS  
TO MR. WALTER OGOLA

**Mr. Ayoki** asked the Minister for Labour:-

- (a) when Mr. Walter Ogola, NSSF No.539272612, will be paid his retirement benefits; and,
- (b) how much money Mr. Ogola is entitled to, and what caused the delay in processing his dues.

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

(a) Mr. Walter Ogola, who is 47 years of age, will be paid his retirement benefits when he attains the age of 50 years.

(b) He has Kshs58,810.15 standing to his credit as at 6th August, 2001.

**Mr. Ayoki:** Mr. Deputy Speaker, Sir, the answer by the Minister is very satisfactory. I only hope that when that time comes, he will be paid. But this is the second time that this Question has come up within two weeks. I wonder why this Question has been repeated with the same answer, while I have other Questions pending up there! Maybe, I need guidance from the Chair! This Question was answered two weeks ago and now it has come up again with the same answer! Otherwise, the answer to the Question is satisfactory. I only wish the Minister could give me the undertaking that when Mr. Ogola reaches the age of 50 years, some money will be paid promptly.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, we know that there are many Kenyans who are suffering because of the 50 years' or 55 years' rule. In view of the retrenchment and careless illegal retirements of employees, this House has insisted that the Ministry of Labour and the Government should bring an amendment to the NSSF Act, so that people can receive their benefits when they need them, to do some other things with them. When is the Minister going to bring the amendment? He has been promising to bring an amendment. Could he tell us today, once and for all, when he is going to bring the amendment?

**Mr. Ngutu:** Mr. Deputy Speaker, Sir, the labour laws are now being reviewed. Currently, a task force has been appointed, and I ask hon. Members to present their views when the task force visits their areas. But the position is that we do not want to review the laws in piecemeal. We want to review all of them. That is what is happening now.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. As far as I can remember, the Minister has been giving the same answer for as long as he has been the Minister for Labour! Generally, he is a very good Minister! Could he tell us when he will bring the amendment? We appreciate that the laws are archaic and outdated but, surely, Kenyans cannot suffer at the pleasure of task forces and things of that kind! When are you going to bring the amendment?

**Mr. Ngutu:** Mr. Deputy Speaker, Sir, that is why I appointed a committee which is now working! The answers to some of those problems will be achieved after the review has been completed.

**Mr. Deputy Speaker:** I do not think you are in disagreement with the hon. Member. He is merely asking you why you find it convenient for some Kenyans to continue suffering!

**Mr. Ngutu:** Mr. Deputy Speaker, Sir, obviously, I would not be happy to see people suffering. Those laws have not been reviewed for a long time. I have now put people on the task force and they are working on them. The problem will be a matter of the past once the task force completes its work.

**Capt. Ntwiga:** Mr. Deputy Speaker, Sir, let us know the time frame. When will the task force complete its job? That is a country-wide problem.

**Mr. Ngutu:** Mr. Deputy Speaker, Sir, they have been given up to December to complete their work.

**Mr. Muchiri:** Mr. Deputy Speaker, Sir, recently, the Ministry retrenched some very young people and they were paid their benefits. I have also seen that in one of the Ministries, some people are being employed. Could you confirm to this House that if you consider employing new employees, you should employ those who are less than 35 years of age?

**Mr. Ngutu:** Mr. Deputy Speaker, Sir, much will depend on the Government's policy, when a decision to employ more people will be made.

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, could the Minister tell us which December he is talking about because, last year, in answer to the same Question, he talked about August and December. Which year is he referring to?

**Mr. Ngutu:** I have said December, this year.

**Mr. Ndicho:** On a point of order, Mr.

Deputy Speaker, Sir. Is the Minister in order to refuse to answer Mr. Imanyara's Question? When I asked my Question on Bidco Company last year, the Minister promised that by August, the whole task force will have finished that job. He was talking about August last year, and then December. Now we are in October and he is talking about December. Could he name the year and not the month?

**Mr. Ngutu:** According to the time frame which has been arranged for this review, it will be ready by December, this year.

**Hon. Members:** Which year?

**Mr. Imanyara:** The year is 2001!

**Mr. Deputy Speaker:** Next Question!

*Question No.583*

CONSTRUCTION OF POWER LINES IN SIRISIA

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

(a) how many kilometres of electric power lines have been constructed in Sirisia Constituency since 1963;

(b) how many more kilometres the Minister plans to construct this financial year, and where they will be constructed; and,

(c) when the construction of the lines will start.

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

(a) The total length of electric power lines constructed in Sirisia Constituency since 1963 is 17.51 kilometres, which includes 8.6 kilometres of high voltage lines and 8.91 kilometres of medium and low voltage lines.

(b) There will be no power line construction this financial year. However, design work under the ongoing French Credit Rural Electrification Programme in Western Kenya has commenced and includes projects in Sirisia Constituency. The design work of the said projects is being carried out simultaneously, and construction of the same is expected to be completed in the 2002/2003 financial year.

The following are the projects which are expected to benefit from the credit:-

1. Sirisia Coffee Factory
2. Sirisia Divisional Headquarters
3. Namongofula Secondary School
4. Lwendanyi Boarding School
5. Kososindet Market

(c) The construction work of the lines designed in (b) above, covering about 14 kilometres in Sirisia, is expected to commence and be completed in the 2002/2003 financial year.

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, in the nine years I have been here, this is the most disappointing answer I have ever got from any Minister. The number of things that are being said here do not even relate to Sirisia. I would like to beg that you ask the Minister to go back and seek the correct answer from his officers. I want to point out that there are no places called Kambole Secondary School, Lwendanyi Boarding School and Kososindet Market in Sirisia. The design work that the Minister has talked about was done in 1990, and there are posts that have been put in various places in the constituency. We are now being told that design work will be done. I do not know what else to ask this Minister. Could you ask him to go back and get the correct answer from his officers?

**Mr. Raila:** Mr. Deputy Speaker, Sir, there is no need for me to go back to any officer. The hon. Member

himself has been to my office and we went through the list. The places that he pointed out to me that are not in the constituency are not in the list that I have just read here. The design that he is talking about is very different because the Rural Electrification Programme has been going on since 1973. However, that design he has talked about was for a much smaller population. We have now a French line of credit which has been dedicated almost exclusively to Western Province. This has necessitated a new design to cover a much bigger area, the one that he is talking about. We used a lower voltage of 11 KV when we were targeting a smaller population. This one requires from 33 KV to cover a much bigger population. That is the reason why there is need for a new design technically.

With all that in consideration, I can assure you that these other areas will be covered. Institutions that have already benefited are Nambuya Primary School, Tamiega Secondary School, Kolanya Girls Secondary School and BAT Sirisia. All these areas that I have mentioned are in Sirisia, and the hon. Member has been to my office and has confirmed the same.

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, I pointed out the areas that were not in my constituency. The Minister has continued to insist that they are there and he has even added others that are clearly not in my constituency. If Mr. Ekirapa was here he would confirm that Kolanya Girls Secondary School is in Teso and not Sirisia. There is no BAT office in Sirisia. The only BAT office is in Malakisi Town. What is the Minister talking about? Let him get the correct information.

**Mr. Raila:** I beg your pardon, Mr. Deputy Speaker, Sir; the hon. Member is right. The list should have ended at Tarumbeta Secondary School and Nambuya Primary which are in his constituency.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I am very concerned and nervous about my dear friend here. He must not allow himself to be taken for a ride by these civil servants. You do not belong there; you went there to make a difference. The Minister referred to this line of credit applying to Western Kenya, and then in his answer he tended to refer to Western Kenya as Western Province. I would like to know which part of Western Kenya this project would apply to in general terms. He does not have to go into details. He can tell us which district in Western Kenya.

**Mr. Raila:** Mr. Deputy Speaker, Sir, the French line of credit is actually the one that is specifically dedicated to Western Kenya and not necessarily Western Province. This is because that is the area that has been most neglected in this Rural Electrification Programme. The French line of credit covers Mt. Elgon, Bungoma, Kakamega, Vihiga, Busia, Siaya and Bondo Districts.

**Mr. Shitanda:** Mr. Deputy Speaker, Sir, could the Minister tell this House the fate of the stalled Rural Electrification Programme in this particular region which he says is covered by the line of credit from France?

**Mr. Raila:** Mr. Deputy Speaker, Sir, I have had occasion to talk about the Rural Electrification Programme generally; the problems we are experiencing, and the action we are taking to restore and expand this programme countrywide. This area is one of those which are fortunate to have benefited from the French Programme. We are also negotiating with other donors, that is the EU Programme of STABEX funds, which have only gone to the coffee growing areas, mainly for coffee factories. There is also the Spanish line of credit which is being utilised countrywide. It covers parts of Eastern, Rift Valley, Coast and Central Provinces. At the moment, we are negotiating with the Chinese Government for another line of credit. This will give us much more flexibility to cover wider areas which have been neglected before. It is a question of talking about the terms which the Chinese Government are offering. We want them to improve on the terms we already have with the Spanish and the French. Every effort is being made by my Ministry to resuscitate and expand the Rural Electrification Programme.

**Mr. Munyasia:** Mr. Deputy Speaker, Sir, I would have liked that this Minister goes back to his officers to get the correct answer. This is because I know places that he has mentioned like Nambuya Primary School are in the dark. There is no line there. The short line that was constructed in Sirisia ended up at Mr. Barua Chele's home at Tamlek. However, if the Minister insists, could he tell us when was the line to Nambuya Primary School constructed? This is because the Question was: "How many kilometres of electric power lines have been constructed in Sirisia Constituency since 1963?"

**Mr. Raila:** Mr. Deputy Speaker, Sir, I do not have the year, but I know that there is a 2.4 kilometre low voltage line that goes to that place. Whether the power is connected or not, that is another matter altogether. However, if the Member has measured the length, he could tell us, but what we have on the ground is the 2.4 kilometre line that goes to Nambuya Primary School.

*Question No.569*

TARMACKING OF SUNEKA-RODI KOPANY ROAD

**Mr. Opre** asked the Minister for Roads and Public Works when the Government will tarmac the

Suneka-Riana-Asumbi-Rangwe-Rodi Kopany Road (C13), a stretch of about 30 kilometres.  
**The Assistant Minister for Roads and Public Works** (Eng. Rotich): Mr. Deputy Speaker, Sir, I beg to reply.

The Government does not have immediate plans to tarmac Suneka-Riana-Asumbi-Rangwe-Rodi Kopany Road.

**Mr. Opore:** Mr. Deputy Speaker, Sir, I know this Question was answered two weeks ago, but I am surprised that the answer remains the same. However, let me take this opportunity to emphasise the importance of this road.

**Mr. Deputy Speaker:** No! Ask your question!

**Mr. Opore:** Mr. Deputy Speaker, Sir, why has the Government not seen it important to put a tarmac road along this stretch, considering that the road serves the airstrip, Asumbi, which is a complex with a teacher training college, mission hospital, primary and secondary school, and also serving Rangwe which is also a town in itself and the short-cut to Homa Bay from Kisii?

**Eng. Rotich:** Mr. Deputy Speaker, Sir, I think the answer is very simple. We do not have the funds at the moment to tarmac this road. That is a fact. The other problem is the normal cost benefit analysis which shows an internal benefit return of about 5 per cent.

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, since the Assistant Minister says there are no funds at present, could he tell this House what plans his Ministry has on this road, and when will they be implemented?

**Eng. Rotich:** Mr. Deputy Speaker, Sir, we hope this road will be maintained by the District Road Committee (DRC). For the moment, it is a class "D" road; that is D215. It joins C18 at the end, but it is a class "D" road.

**Mr. Kihoro:** On a point of order, Mr. Deputy Speaker, Sir. The Question is very clearly referring to a road that is classified as C13 and now the Assistant Minister tells us that this is a "class D" road. Could he clarify which road he is talking about?

**Mr. Deputy Speaker:** But you have not even given him an opportunity to answer that question where he would have dealt with that!

**Eng. Rotich:** Mr. Deputy Speaker, Sir, I do not know what C13 or C113 are. We have Road D215 which joins Road C18. We do not have Road C130 in that particular area of the country.

**Mr. Ochuodho:** Mr. Deputy Speaker, Sir, Asumbi Teachers Training College or Complex is the "university" of South Nyanza District. It is such a shame that the Assistant Minister tells us that they have no plans of tarmacking the road that leads to Asumbi TTC. A section of this road that runs to Asumbi-Rangwe and Rodi Kopany is part of Road C18. Road C18 does not fall under the DRC. Could the Assistant Minister then tell us when they are going to tarmac that section; that is, part of Road C18, from Rangwe to Rodi Kopany?

**Eng. Rotich:** Mr. Deputy Speaker, Sir, it is true that part of it is Road C18, and I am sure my colleague knows that there is a contractor on site as of now, gravelling that part of the road.

**Mr. Opore:** Mr. Deputy Speaker, Sir, I am surprised that the Assistant Minister is raising an issue of cost-benefit analysis for a road that, even without doing that kind of analysis, clearly qualifies to be tarmacked. The people using this road, especially the Asumbi TTC students, suffer a lot during the rainy season. Could the Assistant Minister assure this House that, in fact, going by the campaign manoeuvres they had during the defection of hon. Momanyi, that they are and should be able to tarmac that stretch?

**Eng. Rotich:** Mr. Deputy Speaker, Sir, I do not know about the campaigns but the key thing is, as I said last time, that sometimes there is no head or tail. You get an internal return benefit of 5 per cent, and we cannot achieve the 20 per cent we want if we do not build the road and we cannot build the road until we achieve it. So, you go round in circles. At the moment, the rate of return is 5 per cent and we need to achieve about 20 per cent.

**Dr. Ochuodho:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to evade answering a valid question? I asked him when do they intend to tarmac it and he is telling me the road is being gravelled. Could he tell us when that section of Road C18 is going to be tarmacked?

**Eng. Rotich:** Mr. Deputy Speaker, Sir, not very soon, but the gravelling programme is ongoing.

*Question No.579*

REPAIR OF GIAGATIKA-SAGANA ROAD

**Dr. Murungaru**, on behalf of **Mr. Wamae**, asked the Minister for Roads and Public Works:-

- (a) whether he is aware that the tarmac road from Giagatika, Kiamariga Market, Sagana State Lodge to Chaka is in a poor condition; and,
- (b) when he is going to have this road repaired to save it from complete destruction.

**The Assistant Minister for Roads and Public Works** (Eng. Rotich): Mr. Deputy Speaker, Sir, I am not sure whether to answer this Question because we got it this morning. It was directed to the Ministry of Health. However, I have an answer which may not be satisfactory. If you agree, we can defer it and if not, I can answer it.

**Mr. Deputy Speaker:** What is the reason for your not answering this Question?

**The Assistant Minister for Roads and Public Works** (Eng. Rotich): Mr. Deputy Speaker, Sir, it was referred to the Ministry of Health and I do not know why. We got it this morning at 10 o'clock.

**Mr. Deputy Speaker:** Yes, I will defer this Question to Tuesday next week.

*(Question deferred)*

*Question No.210*

REGISTRATION STATUS OF TRADE UNIONS

**Dr. Ochuodho** asked the Attorney-General:-

(a) what the registration status of the following organisations is:-

- (i) The Kenya University Students organisation (KUSO);
- (ii) The National Union of Students of Kenya (NUSKE);
- (iii) The University Academic Staff Union;
- (iv) The Kenya Dentists and Medical Practitioners Union; and,
- (v) The Kenya Civil Servants Union.

**The Attorney-General** (Mr. Wako): Mr. Deputy Speaker, Sir, I wish to thank the hon. Member for having accommodated me yesterday so that the Question is answered today.

**Mr. Deputy Speaker:** He did not accommodate you; the Chair did!

*(Laughter)*

**The Attorney-General** (Mr. Wako): Mr. Deputy Speaker, Sir, I wish to thank you most profusely for having facilitated this.

**Mr. Deputy Speaker:** The Chair demands an apology!

**The Attorney-General** (Mr. Wako): I apologise to the Chair but I also thank it for facilitating the good wishes of the hon. Member of Parliament in accommodating me.

*(Applause)*

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

(i) The Kenya University Students Organisation (KUSO) has not applied for registration. The Registrar of Societies cannot recall, nor can any file containing an application for its registration be traced in the Registry of Societies.

(ii) The National Union of Students of Kenya (NUSKE) has not applied for registration. The Registrar of Societies cannot recall nor can any file containing an application for its registration be traced in the Registry of Societies.

(iii) The Registrar of Trade Unions refused the registration of the University Academic Staff Union (UASU) on 24th November, 1993. The union challenged the decision of the Registrar at Nairobi High Court, Miscellaneous Application No.14 of 1994 in the matter of Trade Unions Act, Dr. Korwa G. Adar and others versus Attorney-General and the Registrar of Trade Unions. The appeal was dismissed with costs by Justices Bosire, Githinji and Mwera in October, 1994.

(iv) The Registrar of Trade Unions refused the registration of the Kenya Dentists and Medical Practitioners Union (KDMPU) under Section 16(1)(c) of the Trade Union Act on 14th June, 1994.

(v) The Government has agreed to register a trade union to cater for civil servants. Since that policy was communicated, seven applications for registration of a union to cater for civil servants have been received and are being processed.

**Dr. Ochuodho:** Mr. Deputy Speaker, Sir, I am surprised that the Attorney-General says that KUSO and NUSKE have not applied for registration yet the Government proscribed them. However, given that Dr. Adar and others went to court to challenge the refusal by the Registrar of Trade Unions to register UASU, and given that the

Registrar of Trade Unions falls under his office, could he tell the House the reasons for refusing to register UASU and KDMPU?

**Mr. Wako:** Mr. Deputy Speaker, Sir, the reasons given by Registrar of Trade Unions in denying the union registration were that, one, the union would be used for unlawful purposes. Two, most of the members of the proposed union were civil servants, and the Government policy then did not provide for a union for civil servants. Three, it was clear that most of the members were in private practice; they were not employees but employers and should, therefore, be members of other organisations.

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, given the spirit of our Constitution, which guarantees every group of Kenyans the right to form an association, and considering that the Government has reconsidered its decision on the fate of the Kenya Civil Servants Union, could the Attorney-General extend the same consideration to the other proposed unions that have been denied registration and register them? The Attorney-General is, for example, aware that KUSO, which was headed by a very good friend of mine, the late Ntai wa Nkuraru, was denied application. I had filed a suit in the High Court on behalf of KUSO, and the Attorney-General entered defence. So, it is not right to say that the association did not exist. Nevertheless, could the Attorney-General now consider extending the sympathy that has been extended to the Kenya Civil Servants Union to all these other organisations by registering them?

**Mr. Wako:** Mr. Deputy Speaker, Sir, of course, the association had the right of appeal against this decision, but it did not lodge any. Secondly, particularly taking into account the third reason given by the Registrar of Trade Unions in denying the association registration, that most of the members were professionals who were employers and not employees, it is difficult for me to give any assurance that I will register the association, if it applies for registration. But any application will be processed in the normal way.

**Dr. Murungaru:** On a point of order, Mr. Deputy Speaker, Sir. It is possible for an individual to be an employer and an employee at the same time. Does that status preclude one from enjoying the benefits of forming an association, if one so wishes?

**Mr. Wako:** Mr. Deputy Speaker, Sir, the application disclosed that most of the applicants were self-employed practitioners in private practice; they were not employees. The few who were employees, were employees in the Government. At that time, the Government policy was not to register an association for civil servants.

**Mr. Parpai:** Mr. Deputy Speaker, Sir, the Attorney-General said that the Government policy at that time did not provide for registration of a union for civil servants. Could he tell us whether Government policies are superior to the laws of this land?

**Mr. Wako:** Mr. Deputy Speaker, Sir, of course, the law is superior to Government policies.

**An hon. Member:** The table microphone on this side is not working!

**Mr. Deputy Speaker:** It is working.

**Mr. Wamalwa:** Mr. Deputy Speaker, Sir, I am glad to hear from the Attorney-General that the Government is going to re-register the Kenya Civil Servants Union. Of course, the Attorney-General is aware that the Kenya Civil Servants Union existed a long time ago under the late President Kenyatta's regime.

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

**Mr. Deputy Speaker:** Let Mr. Wamalwa finish asking his question.

**Mr. Ndicho:** There is confusion.

**Mr. Deputy Speaker:** No! Proceed, Mr. Wamalwa.

**An hon. Member:** Sabotage!

**Hon. Members:** Use the other microphone at the back!

**Mr. Deputy Speaker:** Order! Order! There is another microphone right behind him. You do not have to point at it for him!

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Order! Hon. Members, you do not hear better by making so much noise! Proceed, Mr. Wamalwa!

**Mr. Wamalwa:** Mr. Deputy Speaker, Sir, I had just finished stating that I am pleased to learn that the current Government intends to re-register the Kenya Civil Servants Union, which existed under the Kenyatta regime. Could the Attorney-General be good enough to refresh the memory of this House as to the reasons that led to the proscription of the Kenya Civil Servants Union? Have those reasons now changed so as to facilitate registration of the union?

**Mr. Wako:** Mr. Deputy Speaker, Sir, the Kenya Civil Servants Union was registered long before most of us came to the scene. In fact, in my private practice, I acted for the officials of the de-registered Kenya Civil Servants Union; that was quite some time ago. The Government has now agreed to register a trade union to cater for civil



servants. We have received seven applications, some of which are from former officials of the de-registered Kenya Civil Servants Union. The Registrar of Trade Unions has summoned all the applicants from the proposed seven unions to a meeting at his office on 30th October, 2001, to sort out the matter. We are determined to register one union to cater for civil servants.

**Mr. Wamalwa:** Mr. Deputy Speaker, Sir, the Attorney-General has just answered his own question. Could he now be good enough to answer my question, which was: What were the reasons that led to the proscription of this union? Have those reasons now changed to make the Government wish to register the union?

**Mr. Wako:** Mr. Deputy Speaker, Sir, it appeared to the Registrar of Societies that the existence of the union was a threat to national security. I now believe that civil servants are not a threat to security.

**Mr. Murathe:** Mr. Deputy Speaker, Sir, one of the reasons why civil servants are being retrenched and there is nobody to talk for them, is because they do not have a union. Could the Attorney-General give us a time frame within which the Kenya Civil Servants Union will be registered?

**Mr. Wako:** Mr. Deputy Speaker, Sir, if the seven applicants agree today to come together and make one application, I will register the union immediately.

**Dr. Kulundu:** Mr. Deputy Speaker, Sir, I want the Attorney-General to be categorical on item "iv" of the Question, which refers to the Kenya Dentists and Medical Practitioners Union. Will he refuse to register this union because some of its members are employers? There are many dentists and doctors who are employees rather than employers. Will the Attorney-General register this union or not?

**Mr. Wako:** Mr. Deputy Speaker, Sir, with regard to the Kenya Dentists and Medical Practitioners Union, the applicants were refused registration and they never exercised their right to appeal. But if they apply, they will be considered and their application will be processed in the normal manner.

**Mr. Muite:** Mr. Deputy Speaker, Sir, would the Attorney-General enlighten this House on why he wants civil servants to register only one union? If clerks in the public service want to register their own union, and another category of employees want to register their own union, will they not be exercising their constitutional freedom of association? Why can the Attorney-General not register the Kenya Civil Servants Union and do the same with all the other unions that civil servants wish to register? The Attorney-General's office is actually nullifying the constitutional freedom of association vested by the Constitution in Kenyans.

**Mr. Wako:** Mr. Deputy Speaker, Sir, the hon. Member of Parliament is definitely not aware of the seven applications that have been received and their contents. These seven applications are not from different categories of employees within the Government. All the seven applications want to represent the entire Civil Service. Since they want to represent the entire Civil Service, the trade union practice is that there should be one union or at most two unions.

Obviously, if different categories of employees apply for registration of unions, they will be considered on their own rights. But in a situation where you receive seven applications to represent all civil servants, then the Registrar of Trade Unions is right to ask them to come together, so that they can consolidate their applications and have one trade union for the entire Civil Service.

**Mr. Deputy Speaker:** Mr. Leshore's Question for the second time!

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

**Mr. Deputy Speaker:** There is no point of order now because we have finished with that Question!

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

**Mr. Deputy Speaker:** Order! Hon. Members, we must allow the Chair to make rulings and when it has made them, they must be respected. Now, there are certain hon. Members here who seem to think that unless they ask a question or make a contribution, there is no Parliament. Parliament must accommodate every hon. Member. So, please, when the Chair rules that it will not allow you to ask a question or raise a point or order, comply!

*(Dr. Ochuodho stood up in his place)*

Dr. Ochuodho, it seems to me that you want to run this House according to your own rules. For that reason, I will now require you to leave the Chamber for the rest of this afternoon's sitting.

*(Dr. Ochuodho withdrew from the Chamber)*

**Mr. Shidiye:** Mr. Deputy Speaker, Sir, first of all, I wish to apologise to the House for coming late.

*Question No.543*

IMPLEMENTATION OF POVERTY  
ERADICATION PROGRAMME

**Mr. Shidiye**, on behalf of **Mr. Leshore**, asked the Minister of State, Office of the President:-

(a) how many institutions for the disabled or individuals have benefited from the Fund for the disabled in Samburu District in the year 2000/2001; and,

(b) since the implementation of the Poverty Eradication Programme, how much money has been earmarked for Samburu District and particularly Samburu East Constituency.

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, may I request that this Question be deferred. Our colleague who was to answer it is not available.

**Mr. Deputy Speaker:** Your colleague who was supposed to answer was right over there! Mr. Nassir! Sorry; I apologise to Mr. Nassir. He had informed me that this Question was, in fact, supposed to be answered by Mr. Sunkuli, who is away in Eldoret, for the passing-out parade of the army troops. So, this Question will be deferred to next week!

*(Question deferred)*

**Mr. Muite:** On a point of order, Mr. Deputy Speaker, Sir. Could we get your guidance as to whether there is any technician available in Parliament to fix these microphones when they fail? The microphone on the Government's side is working and the one on the Opposition side is not working. What is the position?

**Mr. Deputy Speaker:** Order, hon. Members! The microphones, by their very nature, may fail. There are technicians in Parliament and they are very aware that there is a problem and they will attend to it.

Mr. Mwakiringo, the Minister is now available to answer your Question. For the second time, ask your Question!

*(Question No.229 reinstated)*

*Question No.229*

FINANCIAL ASSISTANCE TO VOI YOUTH GROUPS

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

(a) how much money was received for Voi Constituency Youth Groups;

(b) how many youth groups were registered and which groups benefited from the National Youth Development Programme Fund in the constituency; and,

(c) if he could table a list indicating the groups, amounts received, their respective cheque numbers and the bank accounts balances.

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, I apologise for coming late.

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

(a) Voi Constituency youth groups received a total of Kshs1,121,183.10.

(b) A total of 74 youth groups were registered and all of them benefited from this Fund.

(c) The groups that benefited are shown in a long list, which I believe the hon. Member has, and so, I will not go through the names of those groups.

**Mr. Mwakiringo:** Mr. Deputy Speaker, Sir, is the Government satisfied that these groups are all running and serving the purpose for which the funds were intended?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, we have not been following the activities of each individual group but, maybe, the hon. Member, within whose constituency these groups are may be in a better position to tell us whether they are working or not.

**Mr. Mwakiringo:** Mr. Deputy Speaker, Sir, I want to say this is part of the Government Funds whose spending is supervised by the Provincial Administration (PA), and it squandered money meant for these groups. I was surprised to find that there were two groups which consisted of the same young men. They were given a cheque for Kshs30,000, cheque No.440783, and another one for Kshs10,000, cheque No.440810. If you go to Umoja Youth Group, you will find that it was also given two cheques, one for Kshs10,000, cheque No.787, and another one for

Ksh10,000, cheque No.811. If you go to Kasigau Youth Group, which is in my home area, you will find that the group was given two cheques; cheque No.44079 for Kshs10,000, and cheque No.440812 for Kshs28,000.

The second cheques were not received by the respective youth groups, but by the PA officers in the respective areas. Is the Minister aware that the PA squandered funds meant for youth groups in Voi Constituency?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, I am not aware that the administration took those funds. I would appreciate it if I got details from the hon. Member so that I can be able to follow it up.

**Mr. Kariuki:** Mr. Deputy Speaker, Sir, this was a very good Government initiative, but one wonders whether it was meant to be a once-for-all exercise or whether it was supposed to be a continuous process. If so, when will a similar exercise be carried out?

**Maj. Madoka:** There is no plan to have another Harambee for these particular Youth Groups.

**Mr. Mwakiringo:** Mr. Deputy Speaker, Sir, I will be able to provide the Minister with information, but my concern is whether he is satisfied that the intended purposes of the Youth Groups have been attained all over the country?

**Maj. Madoka:** Obviously, certain groups have been able to benefit from these funds. We are aware that certain groups also did misuse the funds.

### QUESTIONS BY PRIVATE NOTICE

#### ADJUSTMENT OF CIVIL SERVANTS HOUSE ALLOWANCE

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

(a) Is the Minister aware that the recent adjustment of house allowances for civil servants was a great disappointment to those in the middle and lower cadres?

(b) What urgent plans does the Minister intend to take to rectify this anomaly

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

(a) It is wrong to state that the recent adjustment of house allowances for civil servants was a great disappointment to civil servants in the middle and lower cadres. These increases were satisfactory and they represented the highest percentage increase of house allowance ever paid since Independence.

(b) Whereas it is the Government intention to pay market rates house allowance to its employees, it should be noted that this can only be carried out within the current constraints. It is for this reason that the Government is adopting a phased approach to the implementation of the envisioned market rates house allowance.

Let me assure this House that the Government is committed to ensuring that the civil servants access decent accommodation. House allowance will, therefore, continue to be reviewed within the context of affordability of funds until the desired rates of market house allowance are attained.

**Dr. Kulundu:** Mr. Deputy Speaker, Sir, I am surprised that the Assistant Minister does not seem to know that there was some disenchantment among civil servants over these house allowances. The Assistant Minister must have known that there were demonstrations, both in Nairobi and Kisumu, over these house allowances. That notwithstanding, how does the Government justify the payment of house allowance of Kshs100,000 to Permanent Secretaries, as opposed to other civil servants, for example, in Job Group H, who get only Kshs5,000? If he does not have a Government house, he has to rent a house in Nairobi, at an approximate rent of Kshs10,000 per month. So, we have this lopsided situation where senior civil servants are given house allowances that are far in excess of what they need! The highest valued Government house in Nairobi is only Kshs32,000 per month. However, these people earn between Kshs80,000 and Kshs100,000.

Mr. Deputy Speaker, Sir, senior civil servants get house allowances ranging from Kshs50,000 to Kshs60,000 per month from the Government. These are the sums they put in their pockets, while the junior ones have to subsidize from their own salaries in order to hire private houses. Why should that be the situation?

**Mr. Haji:** Mr. Deputy Speaker, Sir, the hon. Member should understand that we have a different cadre of civil servants. Officers are remunerated according to their job groups, and, therefore, the payment of house allowance was done according to the job groups of the officers.

**Mr. Muchiri:** Mr. Deputy Speaker, Sir, it is more than obvious that in Nairobi, a single room in Umoja Estate goes for Kshs8,000 per month. Where are you expecting the DOs, and Superintendents of Police who are in charge of police divisions to rent houses outside slum areas like Kibera and Korogocho? What action is the Assistant Minister going to take to prevent them from being embarrassed by living in the slums?

**Mr. Haji:** Mr. Deputy Speaker, Sir, most of the district officers are on Job Group "K" and they get house allowance of Kshs10,000. The hon. Member is now saying that they only get Kshs8,000 per month.

**Mr. Shitanda:** Mr. Deputy Speaker, Sir, for purposes of housing, we have three categories of civil servants: There is the low grade, middle grade and the high grade. Could the Assistant Minister tell us why this grading was disregarded when they were setting up these house allowances? This is because the low grade runs from Job Group "A" to "F", while the middle grade runs from Job Group "G" to "K", and then the high grade runs from Job Group "K" and above. Why did the Ministry disregard these demarcations when it was setting up these house allowances?

**Mr. Haji:** Mr. Deputy Speaker, Sir, I think I have answered that question. These house allowances were based on job groups and there is no other measure that we can use, other than using the job groups in which the officers are serving!

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, could the good Assistant Minister tell us where you can pay rent of Kshs10,000 per month in Nairobi?

**Mr. Haji:** Mr. Deputy Speaker, Sir, I do not think it is proper for me to go around in Nairobi, looking for rents of houses. I am sure the hon. Member can do that.

**Mr. Kiminza:** On a point of order, Mr. Deputy Speaker, Sir. I think the question Dr. Kituyi has asked the Assistant Minister is very serious and the Assistant Minister should not take the House for a ride. Is he in order to suggest that he cannot look for information about housing, because it is known that there is nowhere in this City where a district officer can get a house for Kshs10,000 per month?

**Mr. Haji:** Mr. Deputy Speaker, I believe that is not true.

**Mr. Deputy Speaker:** Next Question, Mr. Mutahi!

**Mr. Mutahi:** Mr. Deputy Speaker, Sir, I am very disappointed because when I came to consult you on this Question, you showed me a pale face. It is as if you are in a bad mood because what I wanted was that---

**Mr. Deputy Speaker:** Are you going to ask your Question?

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

**Mr. Deputy Speaker:** Mr. Mutahi, let me say this; the Speaker would very much like to listen to two or three people at the same time. But, unfortunately, he is a creation of God and he cannot listen to more than one person at a time! Now, you came to consult me when there was a Question being asked, which I needed to pay attention to. I have said it here many times that matters of pure administrative nature are better dealt with in the office. But in the Chamber, let me also concentrate on what hon. Members are saying, so that hon. Members do not accuse me of being absent-minded. So, you came to see me when there was a Question being asked and the answer being given. There was no way I could listen and hear what you were saying and also listen to the hon. Member on the Floor. So, I think you are the one who is now trying to spoil my mood. I have been in a very good mood this afternoon.

**Mr. Mutahi:** Mr. Deputy Speaker, Sir, we are talking about somebody who disappeared about three months ago, and I got some information, which I do not think is complete, that the boy has either been found dead or alive. I would like the Chair to defer this Question because we need to gather that information. We shall give the Minister a chance to find out what happened. I will also have a chance to confirm whether the boy has been---

**An hon. Member:** No! Let us hear what the Government has got to say!

**Mr. Mutahi:** Mr. Deputy Speaker, Sir, I am consulting you. I need the Chair's guidance.

**Mr. Deputy Speaker:** Order! Let us hear what the Minister has got to say. If what he says does not tally with what you know, I will happily defer the Question because it concerns the life of a Kenyan.

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. The hon. Member came to consult with you and rightly, of course, you could not have attended the House and him. But if the hon. Member strongly feels that the Question should be deferred even before we get some half-baked answers, is he not in order to do that? Is there anything to stop him from requesting the Chair to defer the Question?

**Mr. Deputy Speaker:** But you are really not on a point of order, Mr. Anyona! I have directed that I need to hear what the Government has got to say. If I am not satisfied with that reply, as you all know, I will take the necessary action.

Minister of State, Office of President, what do you have to say?

#### WHEREABOUTS OF MASTER KIBAKI GICHOHI

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

(a) Is the Minister aware that Master Charles Kibaki Gichohi, a student at Nyeri High School, disappeared on his way to school on 11th July, 2001, and the matter reported to the Nyeri Police Station on 14th July, 2001?

(b) What action has been taken to trace the whereabouts of the student?

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, what the hon. Member has said is true. We have not yet established fully the circumstances which led to the disappearance of the student, and we are still investigating the matter. So, I will be quite happy to have this Question deferred so that we can carry out further investigation.

**Mr. Deputy Speaker:** The Question is deferred to Tuesday, next week.

**Mr. Mutahi:** That is right, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Thank you.

*(Question deferred)*

#### DISBURSEMENT OF HELB BURSARIES

**Mr. Keriri:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Education the following Question by Private Notice.

(a) What criteria does the University Loans Board use to award bursaries and loans to students in public universities?

(b) Could the Minister produce a schedule showing the following in respect of each of the six public universities for the current university year:-

(i) the name of each student,

(ii) the student's district; and,

(iii) the amount of loan and bursary given to each student?

(c) How many Kenyan students have been awarded loans and bursaries in private universities, and how much have these loans and bursaries amounted to in the last two university years?

**The Assistant Minister for Education, Science and Technology** (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The criteria used by the University Loans Board, otherwise known as the Higher Education Loans Board under the HELB Act of 1995, in disbursing loans is as follows:-

(i) The applicant must be a Kenyan citizen.

(ii) The applicant must be a *bona fide* student registered in a public university or a private charter recognised by the Commission for Higher Education.

(iii) The applicant must be a fulltime student undertaking a course of study whose duration must be at least one year.

(iv) The applicant must apply for the loan on a prescribed loan application form provided by the HELB.

(v) The applicant must prove to the Board that he or she is needy by declaring his or her family total annual income and liability on a prescribed loan application form.

(b) The schedule showing the number of each student, the student's district, the amount of loan and bursary given to each student is hereby tabled.

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

(c) In the university years 2000/2001 and 2001/2002, a total of 1,536 students from private universities have been awarded loans totalling Kshs36,660,500.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Keriri:** Mr. Deputy Speaker, Sir, I think the Assistant Minister has tried to give me the answer to part "a" of the Question. In my view, the most important part of that Question is "b". The Assistant Minister has laid on the Table a bundle of papers. To be able to ask a sensible supplementary question on those papers, one would have to look at them. The Assistant Minister is a friend of mine and I respect him. If we start to argue about those papers before we look at them, it will be unfair.

**Mr. Deputy Speaker:** Mr. Keriri, are you asking a question or making a speech?

**Mr. Keriri:** Mr. Deputy Speaker, Sir, I am asking for your guidance. Could the Chair guide me as to whether we should defer this Question so that I can read those papers and ask a sensible supplementary question?

**Mr. Deputy Speaker:** I agree. The Question is deferred to Thursday next week!

**Mr. Keriri:** Mr. Deputy Speaker, Sir, I will be away on Thursday. I wish the Chair could defer the Question to the following week.

**Mr. Deputy Speaker:** Then how can it be a Question by Private Notice?

**Mr. Keriri:** On a point of order, Mr. Deputy Speaker, Sir. I am sorry to appear to be arguing with the Chair, but I am not. Initially, this Question was not by Private Notice. I would like to point out that a mistake was made and we accepted to ask this Question by Private Notice. This was an ordinary Question. So, I would like to urge the Chair to defer this Question to the week after next week.

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, have you agreed to defer the Question?

**Mr. Deputy Speaker:** Well, it really makes nonsense of ourselves because it is a Question by Private Notice, but Mr. Keriri informed me that he will be travelling out of the country tomorrow night and he will not be here on Thursday next week. Will Tuesday, the week after be fine?

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

**Mr. Deputy Speaker:** The Question is deferred to Tuesday, the week after!

**Mr. Awori:** Mr. Deputy Speaker, Sir, will you defer the Question to Thursday of the following week, because I will be out of town on Tuesday of that week, and I would like to deal with it?

**Mr. Deputy Speaker:** This Question is directed to the Ministry of Education, Science and Technology and not Mr. Awori!

I would like to defer this Question to Thursday, the week after!

*(Question deferred)*

#### ASSISTANCE TO RENAL PATIENTS AT KNH

**Mr. Kathangu:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Medical Services the following Question by Private Notice.

(a) Is the Minister aware that the renal patients at Kenyatta National Hospital (KNH) spend up to Kshs800,000 per year, per patient?

(b) Is he further aware that because of the amount involved, those who cannot pay die soon after renal services are stopped, and unless urgent measures are taken, Mr. Stephen Githinji, Mr. Richard Sawe, Mr. Luco Njagi and Mr. David Kubai may die any time now because they have been denied haemodialysis?

(c) What is the Ministry doing to stop more deaths and unnecessary suffering among renal patients?

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

(a) I am not aware that renal patients at KNH spend Kshs800,000 per patient, per year. I am, however, aware that the cost of haemodialysis at the hospital is between Kshs312,000 and Kshs468,000 per patient, per year, and that the total cost of taking care of one renal patient undergoing haemodialysis is between Kshs1.5 million and Kshs2.3 million per year.

(b) I am aware that the renal treatment is delicate and expensive. The patients mentioned in this Question require kidney transplant, which is quite costly. Given the high cost involved, the KNH does not have the resources to offer this service free of charge as this will adversely affect the operations in other units of the hospital.

(c) The hospital has subsidised the cost of the renal treatment as can be seen from the market cost. The Government has also trained more doctors in renal medicine and will continue to equip regional hospitals as resources become available, in addition to public education to prevent renal ailments.

**Mr. Kathangu:** Thank you, Mr. Deputy Speaker, Sir. Yesterday, the Chair asked me to consult with the Assistant Minister on the four patients, and he promised to call me before the end of the day so that we could know what to do with them. He did not do that. Last night, I had to go through a lot of problems trying to locate these men and put them in some kind of medicine. They are in this Parliament with very sad faces. We are talking about four patients---

**Mr. Deputy Speaker:** Are you saying you brought the exhibits?

**Mr. Kathangu:** They are in the Speaker's Gallery, Mr. Deputy Speaker, Sir, and they are Kenyans. We are talking about cost. We know that an average Kenyan earns only US\$1 per day. These men and women in Kenyatta National Hospital (KNH) are required to pay, even with his own figures, Kshs9,700 per week. Is it possible that an ordinary Kenyan can afford that?

**Dr. Wako:** Mr. Deputy Speaker, Sir, it is true that this is a very costly exercise. But it is true also that we have almost about 200 patients daily in KNH who go through the haemodialysis. It is very costly, but it is highly subsidized as far as we are concerned.

**Mr. Sambu:** Mr. Deputy Speaker, Sir, Kenyatta National Hospital gets the largest share of the Ministry of Health funds. It even deposits some in banks. Some of it is rolled up in Treasury Bills. Will the Assistant Minister consider disbursing these funds to the provincial hospitals and Eldoret Teaching and Referral Hospital, and buying

equipment for provincial hospitals, so that the workload in the KNH, and which apparently they do not care about, is taken over by the provincial and referral hospitals?

**Dr. Wako:** Mr. Deputy Speaker, Sir, as the hon. Member is aware, KNH was one of its kind to be a parastatal and its budget has been reducing annually to enable us cater for other hospitals.

**Mr. Murungi:** Thank you, Mr. Deputy Speaker, Sir. This is a very sad case. It is quite true, as the Assistant Minister has said, that the treatment of renal patients in the KNH is very expensive. Since there are very many poor people in this country who cannot afford Kshs300,000, and we also know that there is a lot of money in the National Hospital Insurance Fund (NHIF), some of which has been recently donated to provide ambulances in hospitals countrywide, could the Assistant Minister consider requesting the NHIF to set aside some money to assist desperate cases who cannot afford this kind of treatment?

**Dr. Wako:** Mr. Deputy Speaker, Sir, that is a possibility which can be looked into. But let me inform hon. Members that there are certain cases, which on merit, we do haemodialysis free of charge at the KNH.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I am personally very concerned about how this House manages its proceedings. Yesterday, given the gravity of this Question, the Chair did order the Ministry and the Assistant Minister to make arrangements with Mr. Kathangu to have those patients admitted even before the Question comes up. It is very sad to hear that, that was not done. Could the Assistant Minister explain why an order given by the Chair on the basis of gravity was ignored? Does he not even make reference when the hon. Member raises it? What happened?

**Dr. Wako:** Mr. Deputy Speaker, Sir, yesterday, we tried to get Mr. Kathangu on phone to bring the four patients so that we could consider the merits of each patient.

**Mr. Deputy Speaker:** What happened?

**Dr. Wako:** We were not able to get him.

**Mr. Kathangu:** On a point of order, Mr. Deputy Speaker, Sir. Those four patients are now here. With all the stories that he may have about yesterday, what is he going to do about them now, because they are in this Parliament?

**Dr. Wako:** Mr. Deputy Speaker, Sir, I have said we will consider each patient on merit to get treatment.

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

**Mr. Deputy Speaker:** Order! Order! Mr. Assistant Minister, you told me that if Mr. Kathangu brought those patients to you yesterday, you would take care of them. Now, he has made it even easier for you. The patients have, of course, suffered 24 hours more. So, now you will take those patients from him.

*(Applause)*

Order! Order, hon. Members! This is the highest organ in this nation and we are dealing with the lives of Kenyans. So, let us occasionally take these matters seriously. I would like to believe that this is one of those occasions when we must be serious.

So, Mr. Assistant Minister, please, help those Kenyans.

**Dr. Wako:** Mr. Deputy Speaker, Sir, we will consider helping the patients.

**Mr. Deputy Speaker:** Thank you.

*(Several Members stood up in their places)*

Order! Order! I cannot impose conditions.

**Mr. Imanyara:** On a point of order, Mr. Deputy Speaker, Sir. You have made a ruling. Could this Question be deferred to Tuesday so that we can be informed that they have been admitted to the KNH?

**Mr. Deputy Speaker:** The Question may not be deferred, but the Assistant Minister will give a report on Tuesday.

**An hon. Member:** Wacha hiyo Osama!

*(The Clerk consulted with Mr. Deputy Speaker)*

**Mr. Deputy Speaker:** Order! Order! As far as we are concerned, there are no patients in the House. Mr. Kathangu brought in his constituents to come and listen to him perform in Parliament.

Next Order!

## POINTS OF ORDER

## LAYING OF REPORTS IN THE HOUSE

**Mr. Anyona:** On a point of order, Mr. Deputy Speaker, Sir. Sometime ago, I did raise the question of reports which are tabled in this House and I argued that most, if not all, of all these reports are in contravention of the law. The law has a time frame within which they must be legally laid in the House. Even this afternoon, the Minister for Finance did lay some Report of 1998. I think it was decided that before the Chair makes a ruling, the Office of the President should come up with an explanation. There has been no explanation and this has continued to happen. Illegal reports have continued to be laid here. How can this Parliament condone illegality and expect that its authority and supremacy will be maintained and respected?

**Mr. Deputy Speaker:** Maj. Madoka, you will recall that Mr. Anyona did raise the issue of reports being tabled here late. I did give the Office of the President time to consider the matter and come back with an explanation as to why this was happening. He is up again on it. Could you now tell us what you have done?

**The Minister of State, Office of the President** (Maj. Madoka): I apologise, Mr. Deputy Speaker, Sir. Maybe, he could repeat what he said.

**Mr. Deputy Speaker:** He has already said it.

**The Minister of State, Office of the President** (Maj. Madoka): I did not hear it, because I was walking out.

**Mr. Deputy Speaker:** He said it last time and you heard it, namely, that reports were being filed in the House out of time and that you are, therefore, in contravention of the law.

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, I pray for your indulgence. Could he, please, repeat what he has asked?

**Mr. Anyona:** Mr. Deputy Speaker, Sir, there is evidence that reports are being filed in the House out of time. That was one of the effects of the one-party mentality. That is how Parliament was emasculated.

**Mr. Deputy Speaker:** He was not part of it!

**Mr. Anyona:** Mr. Deputy Speaker, Sir, as a person, we can forgive him. But that hangover is carried on. What I was saying is that the Exchequer and Audit Act has a timeframe within which reports should be prepared, audited and submitted to Parliament. It is the same requirement with the State Corporations Act.

All the reports that have been laid on the Table of this House, year in, year out, are outdated. They are in breach of the law. We cannot allow this to continue. Are we not breaching the law? What will the Chair do about that? Since it is a matter of administration and management of Government, we could rightly ask the Minister to explain why that is happening and how they will stop it before we apply sanctions? The Chair will have to apply sanctions where reports are being laid in contravention of the law. That is exactly what I wanted the Minister to explain because the rest is in the HANSARD. I have raised this issue many times.

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, unfortunately, that does not fall within my docket. That is within the Cabinet and it would be best answered by hon. Sunkuli. But I will see to it that he comes to give an appropriate answer.

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

## UNLAWFUL ARREST OF MRS. KIBERA

**Mr. Muchiri:** Mr. Deputy Speaker, Sir, I rise to seek a Ministerial Statement from the Minister of State, Office of the President in charge of internal security as to why Mrs. Kibera was arrested from her Karen home on 17th September, 2001; and why she was detained at the Karen Police Station up to 24th September, 2001. Could the Minister also explain why she was not booked in the "Occurrence Book" of the Police Station? She was not even informed of the reasons why she was detained for all that period.

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, I will investigate and make the necessary Statement.

**Mr. Deputy Speaker:** When? Next week? Tuesday or Wednesday?

**The Minister of State, Office of the President** (Maj. Madoka): Next week on Wednesday.

## COMMUNICATION FROM THE CHAIR



NOTICES OF MOTIONS  
FOR ADJOURNMENT UNDER  
STANDING ORDER NO.18(1)

**Mr. Deputy Speaker:** Hon. Members, I have received a written notice from the Member for Kasarani Constituency, Mr. Adolf Muchiri, of his intention to move a Motion for Adjournment under Standing Order No.18, on a matter of unsatisfactory answer given to Question No.093 on 23rd October, 2001, concerning illegal allocation of land parcel Nos.209/12009, 209/12011 and 209/12487. I have considered the matter and I will, therefore, call upon him to move the Motion for Adjournment at the interruption of business on Tuesday 30th October, 2001.

I have similarly received a written notice from the Member for Central Imenti, Mr. Gitobu Imanyara, of his intention to move a Motion for Adjournment under Standing Order No.18, on a matter of unsatisfactory reply to Question No.3 by Private Notice answered on Wednesday 24th October, 2001 concerning Mucheene Forest in Central Imenti.

I have considered the matter and acceded to his request. I will, therefore, call upon the Member to move the Motion for Adjournment at the interruption of business on Thursday 1st November, 2001.

*(Applause)*

**BILL**

*Second Reading*

THE FINANCE BILL

*(The Minister for Finance on 24.10.2001)*

*(Resumption of Debate interrupted on 24.10.2001)*

**Mr. Deputy Speaker:** Mr. Mkalla was on the Floor! You have 15 more minutes.

**Mr. Mkalla:** Mr. Deputy Speaker, Sir, thank you very much for giving me this opportunity to continue with my presentation. As I said yesterday, the Finance Bill is concerned with improvement of the general economy of this country. We are looking into the total revenue collection and expenditure.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, it is important for the Government to look for ways and means of improving its revenue collection, so that we have adequate funds to utilise.

The problem that we are facing today relates to excessive spending patterns. They are excessive because the officers on the ground do not follow the laid-down procedures. We did agree last year that we should have finance officers in all the Ministries. But it appears that the effectiveness and efficiency of these finance officers have not been noticed. This is because we still find that a lot of unnecessary expenditures being incurred by Ministries. A lot of money is being spent without the actual job being done. I would, therefore, request the Minister for Finance to collaborate with his colleagues to make sure that money is spent for the intended purposes.

There is a question of the Ministry of Finance and Planning releasing money too late or towards the closure of the financial year. Some time the money is released five or ten days to the closure of the financial year. The officers on the ground are not able to utilise those funds. Those funds are returned back to Treasury. That is not good enough.

Mr. Temporary Deputy Speaker, Sir, I would like to address myself to the recommendations of the Committee. One of our recommendations is that the VAT on business premises be withdrawn. We know that the Minister said he had postponed implementation of this VAT until January 2002. But our recommendation is that it should totally be withdrawn. This is because the question of rent is being charged under a specific duty within the Income Tax law. Therefore, there is no point to introduce another tax because we will overburden our people.

The compulsory stock record should be postponed until modalities of implementation and awareness campaigns are put in place. Again, many businessmen and women in Kenya today do not have computerised systems

in their offices. Many of them are keeping bin cards and ledgers. All these are done manually and it becomes very complicated for them to be able to fulfil the wishes of this particular requirement. So, until an awareness campaign has been done and the modalities of implementation have been properly prescribed, there is no point to bring the issue into effect.

Thirdly, we are saying that the Minister should either withdraw the excise duty on petrol or bring a law to Parliament to enforce compliance by oil industry. This is because when the Minister was reading his Budget Speech, he said he would charge Kshs2 per litre of petrol and that it was not going to have effect on the common person in this country. We know that most Kenyans use *matatus* as a means of transport. Therefore, they are forced to pay Kshs2. The Minister, in his proposals, did not come up with a regulation to control this increment of Kshs2. As it is now, the cost of transport is very high because this Kshs2 is passed on to the consumers. It is making life very difficult for Kenyans.

Mr. Temporary Deputy Speaker, Sir, we should revamp the tourism industry. The Government should consider giving some of the STABEX funds to this industry. This is because it used to be a major foreign exchange earner in this country. Since there has been a decline in the number of tourists coming into this country, because of certain reasons, we feel strongly that we should look for ways and means of encouraging tourism industry in this country so that we revive a number of hotels which have been closed down. We have more than 55 hotels that are under receivership today. This means that they will have to be sold at throwaway prices. Employees in those hotels will be declared redundant. If the Government cannot assist this industry, there is no way the owners of those hotels will rehabilitate them. That means we will be faced with more problems rather than solving the current problems. The rules governing the tourism industry should be reviewed to give the industry more autonomy. Here, we are looking at the aspects of marketing the tourism industry in this country. It would appear that the industry does not seem to have adequate funds for it to be able to market itself outside Kenya. I think it is time we made funds available to the industry, so that at least, they are able to do proper marketing instead of depending on officers in our Embassies who are not able to attract tourists to our country.

Mr. Temporary Deputy Speaker, Sir, we also recommended that the Minister should consider the establishment of a bicycle assembly plant in the country. This would drastically cut down importation costs, and make bicycles affordable to low income groups. As I have been saying, the cost of production is very high because of the high cost of energy. At least, the majority of Kenyans would probably be using bicycles, if they were assembled in Kenya, since they would be cheaper. It will be possible for ordinary Kenyans to own bicycles and continue with their ordinary business.

Mr. Temporary Deputy Speaker, Sir, we are also recommending that the Kenya Revenue Authority, which is a major revenue collecting unit in this country, be provided with computers so that computerization becomes effective within the Kenya Revenue Authority. Today, we believe that there are a lot of manual systems which are being used within the Kenya Revenue Authority. This has made it impossible for them to be able to collect their funds timely. Sometimes documents get lost and it is not easy to make a follow-up because of their manual system of operation. We would like to see a situation where the Ministry of Finance and Planning actually provides adequate funding to the Kenya Revenue Authority, apart from the normal annual allocations, so that we can have a proper computerised system within the Kenya Revenue Authority, and thereby enhance revenue collection for this country.

Mr. Temporary Deputy Speaker, Sir, there is also the question of scanners, which should be provided to the Kenya Revenue Authority. Considering that this time we have a bit of terrorism going on in the world, we would like to see a situation where, at least cargo is being examined without necessarily opening the containers so that we can know exactly what is within those containers, instead of letting the containers go unchecked, since they could be carrying some guns. We are encouraging the Government to provide some scanners which will be utilised both at the Port of Mombasa and at the airport, to be able to monitor whatever goods that come into this country without undue delay in releasing that cargo.

Mr. Temporary Deputy Speaker, Sir, in conclusion, the Committee recommends that the House adopts the Finance Bill, 2001 together with the recommendations contained in the Committee's Report.

I wish to take this opportunity, on behalf of the Committee, to record our gratitude to the Minister for Finance and his staff, together with officials of the Kenya Revenue Authority, for the assistance they accorded us during our deliberations.

I beg to support.

**Mr. Murungi:** Mr. Temporary Deputy Speaker, Sir, Mr. Mwiraria and Mr. Keriri are not available to make the response on behalf of the Official Opposition, but they have requested me to make this response on their behalf.

Mr. Temporary Deputy Speaker, Sir, first, I would like to say that we, as the Opposition, would like to give qualified support to the Finance Bill this year. Budget making in this country has, since the colonial days, been a Civil Service affair. It is only now that Parliament is being involved in the Budget process. We are in the early stages, but we

would like more involvement of Parliament in the identification of projects to be funded and also, in devising measures for raising revenue in this country. So, there has been much more consultation by the Civil Service with the relevant Departmental Committees of Parliament in formulating, not only the Estimates, but also the Finance Bill itself.

Mr. Temporary Deputy Speaker, Sir, the Finance Bill represents the final phase in the Budget cycle. It is the main piece of legislation which is concerned with the actual implementation of the revenue measures in the Budget. It is no wonder that in other countries, the Finance Bill is called the National Budget Execution Law. What we are being called upon to do, as the House, is to review and amend various laws relating to taxes and duties with a view to raising the necessary revenue for financing the expenditure this financial year. While this is the right thing to do, we feel that the law itself should be placed within the general context or the framework of the Budget this year.

Mr. Temporary Deputy Speaker, Sir, this year's Budget has been based on the Poverty Reduction Strategy Paper (PRSP). This Bill gives us an opportunity to ask this Government whether it was serious about the matters that it addressed in the Poverty Reduction Strategy Paper. We are given an opportunity to find out whether the words which the Government has used have been matched by action as far as this Bill is concerned. In other words, the question is: Will this Bill assist in the reduction of poverty in this country? Will this Bill empower our people? Our view is that, this Bill is not different from other Finance Bills which we have enacted in the past. It is as if the Poverty Reduction Strategy Paper was not discussed in this country. We feel that the Bill is trapped in the thinking of the past, and that we need to be more innovative if we are to address the concerns that we are supposed to address through the Poverty Reduction Strategy Paper.

Mr. Temporary Deputy Speaker, Sir, we need new ways of thinking and doing business, if we are to address the principal concerns of the Poverty Reduction Strategy Paper. The President appears to be aware of this shortcoming within his own Government. That is why he appears to be calling for a younger generation of leaders; the so-called Young Turks, because he has given up on the old thinking of the old Ministers. However, we do not believe that the new generation of political leaders who are being touted as saviours for this country, are really going to change anything. Because, if you have a look at them, you will notice, the so-called Young Turks are spoilt children of the rich and the famous in this country who have no idea of what Kenya really is. They have never slept hungry or missed school fees. They have only read about poverty in newspapers. That is not the right material to address poverty issues in this country. We need to be a bit more serious.

Mr. Temporary Deputy Speaker, Sir, you could be old like the late Mr. Jaramogi Oginga Odinga and have youthful ideas. I hear Mr. Kimeto saying that he has good ideas although he is not very young. I think what we should be looking for is not whether somebody is 30 years old or not. Let us listen to them. Let us hear whether they have got any good ideas and whether their thinking is different. Unlike their fathers, who suffered a lot, their fathers who are innovators, the young generation of leaders being touted from the other side are people who we cannot associate with any innovation. They are people whom we are not able to associate with any new political thinking, and they are not giving us what programmes they have for the future. They only present themselves on platforms and declare themselves as Dot-Com leaders.

**Hon. Members:** They are Dot-con!

**Mr. Murungi:** Mr. Temporary Deputy Speaker, Sir, these are the people who cannot even handle a fax, and they should not call themselves Dot-com leaders. The obvious thing is that we need new thinking. We do know that the Poverty Reduction Strategy Paper was not an original idea from this country. Our World Bank experts dreamt up the idea in Washington, and it was brought and imposed on us. All the learning that we did was merely to please the World Bank. Although it contains the language of "poverty reduction, empowerment and participation," we have seen very little participation in the formulation of instruments like what we have before you. Nobody can tell when we met as Parliament to move to the draft which would finally be included in the Finance Bill. We cannot say where Kenyans met to decide which taxes we should increase or reduce. So, participation was merely something for the books in order to please the donors. What we see are old habits, old traditions and structures. The way we normally prepare our Budget and Finance Bill is the way we have prepared the current one. Since the colonial days, we have been obsessed with the concept of a balanced Budget. The principal question has been balancing our revenue against our expenditure, and the way we do it is that various Ministries are called to give their estimates of expenditure for the following Financial Year. We look at the expenditure first and sometimes, all the Ministries do is to look at the older Budget and increase it by a certain percentage; projected expansions here and there. So, there is no original thinking.

When Ministries have come up with their projected expenditures, the Minister for Finance is then given the task to go and look for money to finance that expenditure. We should not behave like a man who promised to buy his wife a very beautiful dress when he had no cent in his pocket and then he went around borrowing from his friends, because he had already made the promise to his wife. We should start the other way round. I am advocating for a radical departure from our Budget-making process. Instead of us estimating expenditure first, let us estimate our revenue first. Let us have a concept of a cash Budget and then we say; this is the money that we are likely to have, say

US\$200 billion from our tax revenue. Then, from this amount, we should try to spend on the most necessary requirements. Human needs, desires and luxuries are endless. There is no way we can satisfy all the needs of this country, but if we start from a position that this is the amount that we have and limit our needs to this amount, we can have a realistic Budget. I would also call for separation of a tax Budget from other non-tax revenue. I am saying that we are now in a lot of struggle because we expected US\$26 billion to come from the IMF and maybe, there was other money we were promised from other bilateral donors and we factored those into the Budget.

I am saying that our Budget should deal strictly with the tax revenue that we collect from Kenyans and other people doing business within Kenya. Then, we have a separate Budget for non-tax resources. Let us have a separate Budget for grants and money borrowed from multilateral and bilateral donors and financial institutions. We are now in a lot of trouble because STABEX funds were not properly accounted for. If we knew that we expected Kshs12 billion from the STABEX funds, then, we could look at the non-tax Budget and see how much money the donors had brought into the country and how that money had been spent. We should deal with that separately. But as a country, we should have our own independent tax Budget where we say that this is the amount of tax that we are collecting from Kenyans and that is how it is going to be spent. I think if we separate these two items, a lot of confusion and this use of donor funds and promises for propaganda purposes is going to stop.

In the last Budget, there was an item showing that in Meru Central District, we would get Kshs60 million from the German Government for small-scale irrigation projects. It was an item in the Budget. But when we went to ask the German Government what had happened to that money, they told us that there was some talk about a big project worth Kshs350 million from the East Mount Kenya Region for small-scale irrigation projects. But there was no Kshs60 million set aside for Meru Central District. So, the Budget itself was being used as a tool for political propaganda. It was being used as a tool to promise people development which was not there. As I am talking today - it was after the end of the financial year - not a single cent out of that Kshs60 million has been spent and we cannot show a single water project from that Budget. So, let us have separate accounting processes for these two separately sourced finances.

As I said before, we need some fresh ideas. The Treasury has in the past seen its role principally as that of a Chief Accountant. It is basically concerned with balancing debits and credits and the bigger picture of the Budget appears to get lost. We should see the Budget principally as an instrument of social change. The purpose of the Budget should be to improve our lives. We should not treat Budget as a question of figures, numbers, tables and statistics. At the end of the day, we should link these statistics to the daily lives of our people. We should see the Budget process as a tool for fighting poverty in this country, reducing unemployment and for reducing inequality between different classes in this country.

We do know that public expenditure is expensive, and social transformation in this country requires a lot of money. We need to raise more money from the tax revenue. But again, the Government seems to have run out of ideas. A mwananchi will tell you that even before the Budget is read out, the taxes on beer and cigarettes will go up. There are items which even a person who has not gone to school will tell you what the Minister is going to do on them.

If you also look at the Finance Bill, you will find that year in, year out, we are revolving around the same areas. What are we doing now? We are amending the Customs and Excise Act, Cap.472. Last year and the year before, we did the same. It appears as if ten years to come, we shall be doing the same. We are also going to amend the Income Tax Act, Cap.470, and the Value Added Tax Act, Cap.476. The question is: Can the Minister get out of the box and forget these three laws which he has been tinkering around with? Can he not imagine a new law for taxation in this country, and not what he did last year and the year before?

Mr. Temporary Deputy Speaker, Sir, we need to be more imaginative and innovative if we are to generate adequate resources for funding development in this country. We also need to introduce a progressive tax system which targets the rich for the benefit of the poor. We also need to finance public health. This afternoon, the Minister for Public Health said they did not have money to save the lives of kidney patients at Kenyatta National Hospital. We have seen Ministers, almost on a weekly basis, stand here and say: "Roads will be made when funds become available." But when they are asked when and how those funds will be available, they have no idea! They are just driving big cars around here consuming petrol!

Mr. Temporary Deputy Speaker, Sir, we need to finance agriculture if we have to generate more revenue for this country. We know that investment in public amenities such as schools and health is quite expensive. So, we are challenging the Minister to be more innovative in order to raise more money to finance those public goods. That is the only way we can transform this country. I would neither have gone to the university nor be in this House if education was not free at the time we were at the university. In fact, from Form Five, we did not pay school fees. That is how the children of peasant parents managed to go to school, and that is how some of us have managed to come to this Parliament. I believe the Minister also went through the same system. So, why can we not imagine a system which helps our people to transcend the barriers of poverty?

Mr. Temporary Deputy Speaker, Sir, I have got a few ideas on how the Minister can generate more resources to finance development in this country. In the 1970s, there used to be a law called the Estate Duty Act. If we have our history correct, the Minister will remember that the Estate Duty Act was repealed immediately after Jomo Kenyatta's death in 1978, so that his vast estate could not pay tax to the Government. Since then, the children of rich people in this country, however lazy they are, have been inheriting enormous wealth without the State sharing in that wealth. We should not encourage this laziness! People should be encouraged to work for their wealth. I propose that the Estate Duty Act be reintroduced. That way, we are going to generate a lot of money, which we can use to educate poor children.

Mr. Temporary Deputy Speaker, Sir, the other area which I would like to look at is Land Tax. When there was drought last year, we heard of this very shameful case of an old white woman owning 78,000 acres of land in Laikipia, and she could not allow Samburu herdsmen to graze their cattle on the land. It is criminal---

**An hon. Member:** In fact, she owns 98,000 acres of land!

**Mr. Murungi:** I am told it is 98,000 acres. This land is idle and it acts as a sanctuary for wild animals. There is no reason why land, which is a precious resource, cannot generate revenue for financing development in this country. All those people who have grabbed thousands of square miles of land and left it to lie fallow, should be taxed so that they are either forced to sell part of that land to those who need the land - and there are a lot of landless people in this country - or develop it so that they can generate income in order to pay tax. I would suggest that any person who owns more than 100 acres of land in this country should pay land tax of Kshs10 per acre. That way, we will generate a lot of money which would finance free university education and subsidise health care in our hospitals.

Mr. Temporary Deputy Speaker, Sir, Members of Parliament and many other people pay money to the National Hospital Insurance Fund (NHIF), but do not use it. We have a lot of private health insurance companies mushrooming in this country, and they are doing booming business. If you analyze those insurance companies, they are not giving full medical insurance cover even to their own patrons. They only give partial cover. If you read the fine print, you will see that most of the diseases which affect people here, like diabetes and AIDS, are not covered. In fact, there is no medical insurance company which covers AIDS patients. Immediately you are diagnosed with AIDS, they throw you out. But that is when you need expensive medical treatment! We feel that the Government should increase the amount of contributions we make to NHIF, and open it to every person in this country. The profits realised through NHIF should be used to provide every Kenyan with free medical treatment at our hospitals. So, we should not cheat ourselves that we are rich and we are covered by private insurances and, therefore, we do not need public insurance. We need it! As a matter of fact, even the Minister does not know when he will get AIDS! The moment you get AIDS, Africa Air Rescue (AAR) will dump you! In fact, all these other private insurance companies will dump you! It is only the Government that cannot run away from us. It can give total health insurance cover to every citizen in this country.

**Mr. Muithia:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Murungi to imagine that the hon. Minister for Finance can get AIDS?

*(Laughter)*

**Mr. Temporary Deputy Speaker** (Mr. Imanyara): Did he suggest that?

**Mr. Murungi:** Mr. Deputy Speaker, Sir, the hon. Member of Parliament knows that as Chairmen or Patrons of the Constituency AIDS Committees, we have a message which we constantly repeat. The messages says that, anybody can get HIV/AIDS, including Members of Parliament, clergymen and Ministers. There is nobody who is above HIV/AIDS. That is not to say that the Minister has any special exposure. He is just like any of us.

Mr. Temporary Deputy Speaker, Sir, I would like to turn to education. We hold Harambees to send children abroad every week. We now conduct Harambees to send primary school children to secondary schools. Although education is a basic human right, there has been systematic under-funding of education in this country. Right now, there is a looming strike by the teachers, being called by the Kenya National Union of Teachers (KNUT), because of salaries which the Government promised to pay them in 1997. But it has constantly said that there is no money to pay the teachers. So, we risk even the current on-going exams being disrupted because the Government has no money to honour a contractual agreement to pay the teachers.

Mr. Temporary Deputy Speaker, Sir, there is a case for massive funding of education in this country. Unless we do it, we are going to create a dangerous class society in which only children of the rich will go to school. We are going to convert education from a basic right to a privilege, to be enjoyed by only children from rich families. I am proposing that we abolish all the Harambees in this country relating to health, education and other issues. That is a lot of money! Then, we should charge a 1 per cent tax on whatever we earn. In fact now, we are paying much more than 1 per cent because of the Harambees that we attend every weekend. So, let us have 1 per cent contribution from our gross earnings at whatever level you are in life. Let us use the 1 per cent tax to finance education. Let us give free

primary, secondary and university education. I am sure we can raise that money. It is only that we are disorganised. We would rather raise Kshs1 million to send one child abroad than contribute money, so that we can improve our universities, so that there would be no need to send our children to India.

Mr. Temporary Deputy Speaker, Sir, we should not be shy about taxation. That is the only way forward for this country. We cannot hope to eradicate poverty, reduce inequality, have better roads, better schools or better health for our people, without increasing public revenue and raising taxes, which will finance those expenses. So, we should not be shy about tax. We should go out and ask for it. But let the people see what we are doing with that tax.

Mr. Temporary Deputy Speaker, Sir, while on this, I must say that we are surprised that, although the Minister has recognised and given some special treatment to *boda boda* bicycle operators, he has been very cruel to farmers in this country. We cannot hope to eradicate poverty when we continue oppressing and exploiting the farmers in this country. We do not want to repeat the issue of the STABEX funds. You have been holding that money for over ten years while farmers are dying in their farms and the coffee sector is collapsing! In other countries, farmers are pampered by the Government with various subsidies. But here, you can see that in Clause 75 of the Bill, we are trying to sneak Presumptive Income Tax through the back door. I know the Minister will say that we are giving the farmers a choice; whether to pay the Presumptive Income Tax or Income Tax. But that is not a choice. Any Kenyan earning less than Kshs10,000 per month does not pay any tax. Where is the exemption in this Bill; to say that farmers who do not earn more than Kshs10,000 a month are also exempt from tax? You are only asking them to choose to pay tax or Presumptive Income Tax. So, we need exemption of the small-scale farmers in this country from any form of taxation, except the indirect tax we cannot avoid. So, Clause 75 needs to be amended and, if the Minister does not undertake to amend it, we are going to introduce an amendment at the Committee Stage like we did in the last year during debate on the Finance Bill to abolish Presumptive Income Tax altogether!

Mr. Temporary Deputy Speaker, Sir, we have also to introduce some controls on the tax that we have collected. We have taken a lot of time to create organs of fighting corruption in this country, so that our taxes are not stolen. But this Government has always found a way of undermining the anti-corruption reforms in this country, so that the tax that Kenyans produce always ends up in the pockets of individuals. We have an expert analysis which shows that, out every Kshs100 collected as tax, only Kshs35 is spent for public purposes. The remaining 65 per cent of the taxes collected in this country is stolen. We need effective anti-corruption measures to ensure that taxes collected in this country are used for the purposes and benefits of the Kenyan public.

With those few remarks, I would like to give qualified support.

**Mr. Angwenyi:** Thank you, Mr. Temporary Deputy Speaker, Sir. The Finance Bill and, therefore, the Finance Act, commits Kenyans to part with their hard-earned resources to the State, on the presumption that the State will manage those resources properly; and that the State will apply those resources for the benefit of those same taxpayers. As the previous contributor has said, the Finance Bill deals mainly with three main Chapters of the Laws of Kenya. Cap.470 deals with the Income Tax Act; Cap.472 deals with the Customs and Excise Act and Cap.476 deals with Value Added Tax Act. Those three main instruments of Government raise about Kshs220 billion a year! The Kshs220 billion is supposed to be applied to satisfy, at least, the basic needs of Kenyans. What are the basic needs? The first one is to promote economic development. The second one is to provide social services and the third one is to raise the standing of living of Kenyans.

To promote the economic development of this country, we need to apply substantial resources to the agricultural sector, tourism, industry and infrastructure. But when you look at the application of those resources, we apply to agriculture minimal resources. Out of the Kshs220 billion collected, less than Kshs10 billion is applied to agriculture. Less than Kshs2 billion is applied to industry and those are the chicks that will lay the egg that the taxman will collect. I sometimes wonder whether the planners of tax collection from Kenyans and corporations think of how they can feed the hen that will lay the golden egg. How will they feed the agricultural sector, industries and the tourism sector so that they can produce more revenue and therefore collect more taxes?

Mr. Temporary Deputy Speaker, Sir, instead of applying substantial resources to these sectors, you find that these resources are instead applied to the Department of Defence (DOD). The DOD gets more money than the agricultural sector and yet we do not tax the DOD. The DOD is allocated more funds and yet we do not get revenue from it. The Provincial Administration gets more money than the infrastructure and yet it never generates any revenue for this country. Instead of feeding the chick which you will slaughter or get eggs from, you feed the person who will slaughter that chick. This is a contradiction in economics. That is what I call "hoodoo economics", that is economics of *msituni*.

We have got to provide social services to our people; for example, education. Like the previous contributor said, education will be a preserve of the well-connected and high-class people in this country. Education will not be available to the average Kenyan. If that were the case, some of us would not be in this Parliament or have gone to school. Why does this House allow such a situation to occur and yet it is composed of Members of Parliament, most of

whom have made it simply because the State was ready and able to provide education to them? They could not have afforded this education on their own. Why are we condemning this generation to poverty, illiteracy, backwardness and primitivity?

This House must stand up and say that resources must be applied to provide education, if only to fulfil the promise that we gave our people when we fought for Independence. This House must stand up and provide adequate resources to help, if only to achieve that which we fought for. This House must provide an enabling environment for economic development. This should be an environment whereby you provide the structure that can make our products competitive in the world market. It looks like the Government and this House are more concerned about opening up our markets for dumping of second rate, third rate and even second-hand products from other countries. We are opening up our markets so that we can destroy our own industries.

Mr. Temporary Deputy Speaker, Sir, as we sit here today, in another four months, we will not be able to produce cement in this country simply because we have opened up our market to Egyptian and South African cement which is produced at a small fraction of the cost at which we produce cement in this country. We are opening up our markets to fruits from South Africa and Israel. I will not be surprised if we open up our markets to competition to coffee from Colombia. We have already opened up our markets through the back door to destroy the sugar industry. This Government and this House, therefore, need to tax the revenue generated from the sugar industry. Which sector will we tax to raise funds for next year and the year after? This House must rise up and tell the Government clearly that we must apply our resources where they can generate most revenue. We must move towards a situation whereby we only sell finished products from this country, including agricultural products, to a point whereby we sell our tea in a packaged form. This way, we will get full value for our production. The same applies to our coffee.

Mr. Temporary Deputy Speaker, Sir, every time the Ministers for Finance, Trade and Industry and Agriculture, for that matter, stand up to speak, they always say: "Oh! we have liberalised. We signed a liberalised document". I think the Parliament that passed that Liberalisation Act must have been a Parliament of fools. It is a Parliament that wants to undermine the state of the economy of this country. We must reverse that Liberalisation Act because we are not fools and because it destroys our economy.

**The Minister for Agriculture (Dr. Godana):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to use such a word against parliamentarians? In any case, there was no Act passed on liberalisation. He does not seem to know what he is talking about!

**Mr. Angwenyi:** Thank you, Mr. Temporary Deputy Speaker, Sir. I wish that the Minister would concentrate in selling finished agricultural products for this country so as to protect our agricultural industry. I wish he was more concerned about that than the fact that I used the word "foolish", because that is where we earn our living from. We want to change the mentalities of our Ministers. These Ministers are failing our President and yet he is leaving office at the end of next year. That is only 14 months from today. Could they give him some respite so that he can leave a legacy? Can he not take us back to that point where he took it up in 1978? This is when we had employment, we could sell our tea and empower our farmers, we had passable roads, industries producing for this country and we were competing with Singapore and Malaysia. Could they give that mzee that respite? I really beg them to give him that respite so that he can leave a legacy.

**An hon. Member:** It is too late!

**Mr. Angwenyi:** It is not too late. You can do something in 14 months, if you stopped corruption, theft, hanging onto foreign ideologies about liberalisation and privatisation.

Recently, I was among a group of Members of Parliament who toured some countries that always sold into our thoughts the ideas of privatisation and we found they are not privatising.

Mr. Temporary Deputy Speaker, Sir, what they are doing is that they are selling out management. They are making sure that the management of public resources is of high calibre. The port of Dubai comprises a small portion compared to the port of Mombasa. The same applies to the ports of Singapore and Sydney. However, the port of Dubai earns US\$11 billion a year. How much does the port of Mombasa earn? It does not earn anything! If anything, it draws from the natural resources to be maintained. The port of Singapore which is half the port of Mombasa in size, earns US\$31 billion a year compared to the port of Mombasa which "swallows" Kshs3 billion and yet these Ministers are complaining about usage of the word "foolish". They should be asking why the port of Mombasa cannot produce Kshs15 to Ksh29 million a year so that we do not have to tax our people?

Mr. Temporary Deputy Speaker, Sir, we must rise up and provide for the needs of our people. How do we do that? It is by investing in these activities. Let the Minister for Agriculture demand that he cannot be given less than Kshs30 million. Let the Minister for Tourism and Information demand that he cannot work with less than Kshs10 billion. Let the Minister for Roads and Public Works demand that he cannot work with less than Kshs40 billion. This is so that they plough out that money out of expenditure in Provincial Administration and giving *rungus* to *askaris* to chase Members of Parliament all over the country; to make raids into our homes and villages; to terrorise old women

and men in the villages. That is what we are taxing our people for! Why can we not tax our people for the provision of services that raise their standards of living? Why can we not do that?

Mr. Temporary Deputy Speaker, Sir, the Judiciary needs to be provided for adequately so that they can hire and pay proper professionals. Right now, if you do not realise, the Judiciary is in competition with the National Assembly. We make laws here and the Judiciary tries to obstruct the implementation of those laws. We are getting into a state whereby we must demonstrate that this is the only institution in this country that makes laws. We must demonstrate to the Judiciary that it must not be a graveyard for the rights and needs of this country. We recently passed the Donde Bill but it has been "clobbered" by the Judiciary. We recently passed the Kenya Roads Board Bill, but it has also been "clobbered" by the Judiciary; the people who we pay from taxation of our people. The people could have used those roads, got credit, raised income, paid income tax, Customs Duty and VAT so that they can get enough money to pay those Judiciary people. They are not in tandem with the needs of this country.

Mr. Temporary Deputy Speaker, Sir, we have been talking about the World Bank, IMF and what-have-you. Those people have been bringing us creations, Structural Adjustments Programmes (SAPs). They came up with Social Dimension, ESAF, Poverty Reduction Strategy Paper (PRSP) and Medium-Term Expenditure Framework (MTEF). They even came up with a "Dream Team". However, what is the result of all these creations? Why is our Government accepting all these creations if they cannot produce anything tangible to the people of Kenya? Why do we accept these when we have got brains that can match those people at the World Bank and IMF? How did Kenyans benefit from the "Dream Team" except by appointing a non-believer to lead it so that they can dream better? We must not accept those creations. We must channel our own programmes that we can manage so long as we manage them effectively.

Mr. Temporary Deputy Speaker, Sir, we have got the national indebtedness which now stands at about US\$6 billion. We have borrowed this money which will be paid by the future generations and yet we cannot show anything for this indebtedness. What can we show? Is it free education and medical care, good infrastructure or employment for our people? Nothing! We cannot show anything for the US\$6 billion except a few people who have illegally amassed wealth out of this indebtedness.

Mr. Temporary Deputy Speaker, Sir, we have got a situation whereby some crooks in this country, especially Asians, are importing contraband goods into this country without paying taxes and, at the same time, destroying our local industry. Our battery industry is being destroyed. The Bic Biro Pen industry is being destroyed. I understand they have now moved into the medical industry. They have moved into those industries and are bringing in sub-standard goods and selling them as if they are locally made without paying any taxes. Yet this Finance Bill has not levied adequate and severe penalties for people who bring contraband goods into this country. I believe that if anybody were found bringing in contraband goods, his trade licence must be cancelled and he must be jailed without the option of a fine. This is so that we can protect and nurture our own local industries. This is so that we can protect jobs for our people.

Mr. Temporary Deputy Speaker, Sir, I intend to bring an amendment on the item of contraband goods to levy heavy and severe penalties. We are not giving our industries incentives to develop and grow. We are not giving tax incentives for the expansion of our industrial capacity or base. We are not giving them incentives by the way of accessing credit. I have not seen a country in the world which does not direct the accessibility of credit to various sectors of its economy. This Ministry, the Government, and this House must stand up and say: "We want to direct 20 to 25 per cent of our credit to agriculture, for example; 20 to 25 per cent of our credit to industry; 10 or so per cent of our credit to tourism". This is so that we can create opportunities for growth. This is so that we do not have to go around the world with a cup in our hands begging so much so that we have had a situation where we are faking anthrax in Kenya so that we can get some money from somewhere. That is the extend we have gone to! We cannot even feel embarrassed! We did not know that if we declared that parcel that has got anthrax spores, that the FBI would want to confirm it. We did not think about that because our aim was to get money. Imagine this country going to that extent! This is a country I am proud of!

Mr. Temporary Deputy Speaker, Sir, what I am saying is that our people are suffering. We are retrenching some civil servants without realising commensurate results in terms of improvement of terms and conditions of service for the remaining civil servants. We are retrenching civil servants without paying them their terminal benefits. We are creating criminals in this country. These people hover around the corridors of buildings housing Ministries and Government departments, looking for their terminal benefits. It is now a year since the last lot of civil servants was retrenched, but they have not got their terminal benefits. Some employees of the Kenya Railways Corporation were retrenched five years ago, but they are yet to get their terminal benefits. We are creating social havoc, which can consume even Members of Parliament as well as those of the Cabinet. If we should retrench some civil servants, why do we not have a well-managed programme to ensure that retrenched are paid their benefits as they leave service?

We have been grappling with the idea of reviving the Kenya Anti-Corruption Authority (KACA). It looks as if Parliament and the Government are not prepared to enact an effective law to deal with corruption. If we were, the



Government would have brought a Bill for the establishment of an effective KACA. Alternatively, hon. Members would have brought a Private Members' Bill to establish an effective KACA. But both the Government and Parliament are reluctant to enact an effective law to deal with corruption. The Controller and Auditor-General issues reports year in, year out, pinpointing where there has been misappropriation of funds or theft of public resources.

How many cases has the Attorney-General taken to court in an attempt to recover misappropriated funds? Has he taken to court a single case that we know of today? The Attorney-General cannot do that because the Government is reluctant to prosecute the people who have looted this country's resources, condemning our university graduates into unemployment. The Attorney-General does not want to pursue the people who have made it difficult for the Government to provide free medical services to our people; he cannot pursue the people who have pocketed money which would have been used to construct roads for our people; he cannot pursue the people who have destroyed the public industries, where some of our graduates would have been employed.

This morning, I heard the President mourn that some shoddy job has been done on a certain road. The President of the Republic of Kenya is appealing to our instincts as Members of Parliament because his Ministers have failed him. Why can we not rise and mourn with him, and deal with these people once and for all? Why can those responsible for shoddy jobs be taken to prison? They do shoddy jobs and pocket a lot of money. Why can we not make it mandatory that, once the Controller and Auditor-General points out that somebody has looted or misappropriated or stolen public resources, within six months or one year, that person is taken to a court of law? If we find that officials in the Judiciary are not being effective, we may have to ask all of them to retire and screen them first before we re-appoint them. We can pass such a law here. That way, we will be seen to be serious.

We boast most of the time instead of addressing the ailing economy. I urge all hon. Members of the Opposition, especially those running for the big office, to concentrate on the economy and talk economics wherever they go. I also urge the President to leave Kenyans alone to decide on certain important issues. If he so wishes, let him support his Vice-President, Prof. Saitoti, so that we can know that Prof. Saitoti is the KANU contestant for the Presidency in the next general election. On the Opposition side, we can pick on, say, Mr. Kibaki or Mr. Wamalwa or Mr. Michuki, so that the contestants can compete freely. Let the President support one person from KANU and let other parties do their campaigns, so that we can concentrate on the economy as we prepare for the general election.

Mr. Temporary Deputy Speaker, Sir, the security of this country is in tatters, yet we provide the Office of the President with so much money. Despite the fact that we provide a lot of money to the Department of Defence, Ugandans occupy Kenyan islands in Lake Victoria and Sudanese parts of Turkana District as Somalis occupy parts of Wajir District. What defence do we pay for? We provide so much money to the Department of Defence and other security departments just for people to loot it. They buy equipment but it is never delivered. They pay for services which are never provided. So, if our tax planners cannot ensure that the money they collect from us is well utilised, they should not tax us at all. They should leave us alone so that we can, at least, enjoy our hard-earned income.

With those few remarks, I beg to support.

**Mr. Ndicho:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this debate. As we are all aware, the Ministry of Finance and Planning is charged with the responsibility of managing public finance, so that Kenyans can live decent lives.

Mr. Temporary Deputy Speaker, Sir, I am glad that the Ministry has decided to abolish the 18 per cent Value Added Tax (VAT) it had proposed to impose on commercial buildings income. Kenyans had expressed disgust that when they were unable to pay rent due to the current economic problems being experienced in the country, the Government was imposing tax on commercial buildings, which would ultimately be passed over to them. I am also happy that the Ministry has done away with the proposal that every business maintains a stock list of all the things it deals in. I am equally impressed with the Ministry's decision to do away with the 18 per cent VAT on imported second-hand vehicles. Kenyans rely so much on imported second-hand vehicles because they can no longer afford new motor vehicles. Only the Government, corporations and rich people can afford to buy new vehicles. So, Kenyans are delighted---

#### QUORUM

**Mr. Muihia:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The House does not have a quorum.

**The Temporary Deputy Speaker** (Mr. Imanyara): Very well. We do not have a quorum. So, could the Division Bell be rung?

*(The Division Bell was rung)*

**Mr. Temporary Deputy Speaker** (Mr. Imanyara): We have a quorum now. Mr. Ndicho, now you may

continue.

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, I will even thank Mr. Muihia for making sure that I address even a bigger congregation.

I was saying that the Minister has shown some positive signs by encouraging Kenyans and understanding that they have really a problem. But I have this to say: This country is endowed with a lot of economic potential that would generate a lot of revenue for it. The Ministry needs to enhance the tax collection system, which is so poor today. I was told by an expert that, from all the economic activities that take place in this country, the Government collects only 50 per cent of the tax it ought to collect. Twenty five per cent of what is collected is again stolen or is not accounted for. So, you will see that we have a Government here that is not serious at all. This is a country with a Government that likes crying all the time that it has money problems, yet if it can enhance the tax collection system, the problem that it always talks about will be history.

Mr. Temporary Deputy Speaker, Sir, our Government seems to have a problem in managing the national budget. I would like to request whether we can try a regional budgetary system, where each region comes up with its budget, then it is presented to the Government and then the Government directly funds the proposals from these regions. I am sure that there was a time when we discussed about bringing constituencies' budgets here. Every hon. Member would sit down with his constituents, go through what they need for that particular fiscal year, draw up a budget and then bring it here and tell the Government what his constituents want.

It is true that the money the Minister promises to give to various regions, both for Development and Recurrent Expenditures during his Budget Speech every June, does not go at all to those areas because of the Budget deficits. All we are telling the Government is that if it has the will to collect taxes from Kenyans, Kenyans are ready to pay. I support the speakers who have said here before me that we need also to enhance the law on defaulting in paying taxes. If we may borrow a leaf from European countries, the United States of America and other developed countries, there is no bigger crime than defaulting on tax payment. This is a very big crime. We need to criminalise evasion of duty. The Minister needs to liaise with the Attorney-General, in order to criminalise evasion of duty. This is the only way through which the Government can achieve a 100 per cent revenue collection rate. We know that the Government will be reluctant to do this because the culprits, who would be caught up by that kind of a law, are the same people who are in the Government because they are the people who evade paying these taxes.

Mr. Temporary Deputy Speaker, Sir, when we go through the Bill and look at the issues the Minister has raised, we find that he has raised issues such as exemptions and new duty rates. For example, we would like the Minister to explain to us why he has said natural sands imported into this country will be zero-rated? This is on page 89 of the Bill. Kenya is endowed with a lot of natural sands in Col. Kiluta's constituency. Col. Kiluta must know that the importation of the natural resource that exists in his constituency, will now be zero-rated by the same Government that he is serving. If one imports natural sands other than metal-bearing sands, they will not be charged any duty. It is ridiculous that the Government wants what we have in this country brought here free of charge. Could the Minister explain this to us? This is very ridiculous and will affect the lives of Kenyans living in sand-harvesting areas. This is just one item that I have picked from the Bill.

Mr. Temporary Deputy Speaker, Sir, could the Minister also explain to us Schedule 4, part 1, which has highlighted exemption of goods? If you look at the goods the Minister has exempted from duty, you really wonder what is going on. The most spectacular one is Tariff No. 99301 on the military weapons. Could the Minister tell us why he wants military weapons to be zero-rated? This means that when military weapons are imported into this country, no tax is imposed on them. We know the people who are behind the military weapons business. We know the people who sell guns. That is why certain individuals in this country do thriving business when there is war within our region, for example, in the Democratic Republic of Congo and Sudan. There are some people in this Government who want that war to continue because they benefit from it. We can now see this clearly in the Bill, where the Minister has said that military weapons, other than revolvers, pistols and other arms, will be zero-rated.

Mr. Temporary Deputy Speaker, Sir, I do not know whether it is a question of business where the West is selling guns to Africans to fight and kill each other. The Kenya Government, the only one in the region to do so, allows these weapons to come through the Port of Mombasa. This business has been zero-rated and is free of charge! This is a business of an exclusive club of well-connected people, who mint millions and millions of shillings.

*(Mr. Arap-Kirui raised his hand)*

The Assistant Minister should not raise his hand because this is his Bill. He has said that this business is going to be zero-rated. The military weapons which are going to be used in the fighting in the Democratic Republic of Congo, Sudan and other areas are being exempted from tax. Could the Assistant Minister tell us why those items have been zero-rated, yet he is crying here? Whenever we ask Questions here, the standard answer that the Ministers have

adopted is: "This and that project will be undertaken when funds become available". Yet we can see loopholes where the Ministry makes this Government lose money. Nobody is taking these things seriously!

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead this House, when he knows as we also know, that any transit goods, whether military or civilian, are not dutiable in this country? When he talks of weapons going elsewhere not being taxed in this country, is he not misleading this House?

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister is not in the inner Cabinet and, therefore, he does not know about some of these things. They are just brought to him for rubber-stamping.

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. I think the hon. Member is not responding to my point of order. Is he in order to mislead this House, when he knows that such goods are going elsewhere?

**The Temporary Deputy Speaker** (Mr. Imanyara): He referred to a schedule which does not contain the word "transit"; he used the words "weapons on transit".

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): That is correct, Mr. Temporary Deputy Speaker, Sir. But, from the hon. Member's argument, he was talking about military weapons going to Zaire, which are transit goods because they are not for use in this country.

**Mr. Ndicho:** You are right, Mr. Temporary Deputy Speaker, Sir. When the Assistant Minister brings us this document here, we read it the way it is. He uses the words "exempt goods", but then he is not telling us whether they are meant for use in this country or outside this country. I am telling him that and he knows that he is not in the inner Cabinet to know these things. We know why the business in arms is being zero-rated. I am surprised the Assistant Minister does not even understand that, whereas a small person like myself understands what is happening! This is just one item that I have just picked up at random. There is also the issue of stamps. If you go through the whole Bill, you will find so many things that are free of taxation. These are things that are benefitting non-Kenyans. If you just pick items like, dark-red and light-red mullite, and so on, you will find that these items have been zero-rated and are benefitting non-Kenyans. So, all we are saying is that, the Government is not serious about collection of revenue.

Mr. Temporary Deputy Speaker, Sir, let me go to another item. We have seen various institutions in this country crumbling down, one after another. For the last 20 years, all the institutions that were working very well have been brought down by either the Executive, judicial or political interference. Most of them have been brought down. We hon. Members are not going to allow the only institution in the land, that is left performing its duty, to be brought down. This is the institution of Parliament. What I am saying is that, this year we passed in this House, the so-called Donde Bill. I am not touching on matters that are in court. What I am saying is that, after passing that all-important Bill, which was meant to help Kenyans uplift their economic standards, we have seen the Minister publishing another Bill that he intends to bring into this House. This Bill will undo what we did with the Donde Bill, so that the interest rates will be in favour of banks and remain uncontrolled.

What I want to declare here - I am really seeking the support of all hon. Members that we should reject that Bill which the Minister intends to bring back here, so as to control bank interest rates. We shall reject that intended Bill. We must help our people. This House must make sure that the Donde Bill remains the way it was passed.

*(Mr. Arap-Kirui stood up in his place)*

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, I am not anticipating of debate. I know that is what the Assistant Minister wants to raise.

**The Temporary Deputy Speaker** (Mr. Imanyara): Maybe you know!

**Mr. Ndicho:** I think the mere mention of the Bill here does not constitute anticipation of debate because when the Minister has already published that Bill and he intends to bring it here--- I am only giving a signal that they are doing an exercise in futility because they are not going to get what they want.

Mr. Temporary Deputy Speaker, Sir, I support Mr. Angwenyi's argument that, there are forces wanting to destroy this institution of Parliament. When we make laws here, they must operate, unless the court, through an injunction, makes the operation of that Act void. So, we do not understand what is the intention of the banks, in conjunction with the Minister. I understand that they are friends. This includes even the Attorney-General. All that we are saying is: "Let the Bill operate first and the amendments be brought to the House later." After the amendments have been passed, then they can have their day.

**The Assistant Minister for Foreign Affairs and International Co-operation** (Mr. Affey): On a point of

order, Mr. Temporary Deputy Speaker, Sir. I think it is fair to seek guidance from the Chair. The hon. Member is clearly anticipating debate on a matter that is not before the House.

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, somebody just whispered to Mr. Affey and told him what to say! If you ask him what he has just said, he will not tell you!

**The Temporary Deputy Speaker (Mr. Imanyara):** But you have just pointed out to the Assistant Minister that you are not anticipating debate!

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

**Mr. Ndicho:** Yes, point of information accepted!

**Mr. Murathe:** Mr. Temporary Deputy Speaker, Sir, I would like to inform Mr. Ndicho that after the KACA Bill was rejected by this House, the IMF and the World Bank gave this Government one main conditionality to do away with the Donde Bill, on the understanding that they will only require a simple majority this time round, and not two-thirds majority. It is true that this Government is under pressure to frustrate the intentions of Parliament. Indeed, the Speaker ruled yesterday that the Bill was not properly brought before the House. So, there is no question of anticipating debate!

**The Temporary Deputy Speaker (Mr. Imanyara):** So, what is the information?

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, that is good information! But all we are trying to say is that, we are bitter that the work we do in this House, including passing the beautiful Donde Bill, is being interfered with. We also know that the banks have started refunding some money to some individuals. So, it is important that when the institution of Parliament passes laws here, and especially those laws that touch on the issue of monetary affairs, they should be adhered to.

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

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

Mr. Temporary Deputy Speaker, Sir, as I wind up, I would also like to support the aspect of taxation of land. Land, and especially the one that is unutilized, should be taxed. We anticipate to bring a Motion before this House which will compel the Government to tax Kshs100 per acre of the land that is not utilised. This will ensure that Ms. Gallman, the German woman who owns 100,000 acres in Laikipia can pay Kshs100 per acre, which will translate to about Kshs10 million. This money can be used to educate our children. There is also Lord Berkeley who has a farm outside President Moi's gate, and Lord Nightingale in Molo. Both of them own over 100,000 acres of land where only wild animals roam. We would like to advise the Government that it can still get money from the people who own large tracks of land which they do not utilise by taxing them. The Government should take that piece of advice.

I am in the Departmental Committee on Energy, Communications and Public Works. I would like to point out that the Government, through the Ministry of Transport and Communications, allowed the sale of 33 per cent of shares of Telkom Kenya. Today, the people who bought the 33 per cent shares from Telkom Kenya earn Kshs600 million every week. I am saying this with authority because I am a Member of that Committee. I would like to point out that I am privy to that information. Why should the Government of Kenya sell 33 per cent shares of such an important asset, and allow foreigners to earn Kshs600 million every week? This money translates to Kshs2.4 billion per month. If you multiply Kshs2.4 billion per month by 12 months, you will know the amount of money that we give foreigners.

**The Assistant Minister for Finance and Planning (Mr. Arap-Kirui):** On a point of order, Mr. Temporary Deputy Speaker, Sir. Again, I am sorry to interrupt my colleague, but he is misleading the House. Which Telkom Kenya has been sold? There is an offer of 49 per cent of the shares of Telkom Kenya. I would like to point out that 33 per cent shares of Telkom Kenya have not been sold unless he is talking about a different company.

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, we know that they want to have 51 per cent shares of Telkom in order to control that very important sub-sector of communications.

They even want to sell the Port of Mombasa. Mr. Angwenyi and I can inform the Chair that the ports in Singapore were surprised to hear that Kenya wants to sell its only Port. When the people of Singapore heard that we want to sell our Port, they thought that we have about ten ports and we want to sell one of them so that we can have some money which we want to use.

**The Assistant Minister for Finance and Planning (Mr. Arap-Kirui):** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, this man is giving me a lot of trouble!

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, my good friend has a habit of not responding to points of order. Which 33.5 per cent shares of Telkom Kenya is he saying have been sold? He has not responded to that issue. He is misleading this House!

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister knows---

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): I do not know!

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, if he does not know then he ought not to hold that position!

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

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, let him not take my time.

Take the case of the Port of Mombasa, as Parliament and people of Kenya, we should not allow this Government which will go tomorrow to sell all that we have and then put that money in their pockets.

**The Minister for Roads and Public Works** (Mr. W.C. Morogo): On a point of order, Mr. Temporary Deputy Speaker, Sir. I think Mr. Arap-Kirui has raised a very valid point of order. The hon. Member should substantiate what he has said. I think the hon. Member is misleading the House, and he should really substantiate that.

**The Temporary Deputy Speaker** (Mr. Muturi): Mr. Ndicho, you said that you are privy to some vital information that the Minister appears to be unaware of. Maybe, perhaps, you can---

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, I am a Member of that Departmental Committee, and the Minister knows this. If he does not know it, I would like to say that I was with the Minister for Transport and Communications this morning, although that was not the subject matter. But it is in the public domain that Telkom wants to sell that percentage of that important sub-sector to foreigners. The sale is earning those foreigners that amount of money. All we are saying is that, instead of letting that money go to foreigners, let it remain with our Government and help it to develop the country.

**The Minister for Roads and Public Works** (Mr. W.C. Morogo): On a point of order, Mr. Temporary Deputy Speaker, Sir. I think Mr. Ndicho should just withdraw and apologise to the House for misleading it and then proceed with his contribution, because we are attentively listening to him.

**The Temporary Deputy Speaker** (Mr. Muturi): Indeed, Mr. Ndicho, earlier on you said that 33.5 per cent of the shares of Telkom had been sold, and now you are saying that it is in the public domain that there is an intention to sell a similar percentage. Perhaps, you can see the contradiction.

**Mr. Ndicho:** Mr. Temporary Deputy Speaker, Sir, perhaps, I will apologise on that aspect, but it is the intention of this Government to sell that percentage of Telkom.

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Does it run into Kshs600 million?

**Mr. Ndicho:** Yes, Mr. Temporary Deputy Speaker, Sir. All we are saying is that, that percentage of Telkom should not be sold. Let that money remain with Kenyans. Let us not even sell the Port of Mombasa, the same way we sold some shares of the Kenya Airways. I would like to say that all that money goes to foreigners instead of it remaining in our country for development.

Finally, I would like to say that accidents in this country also claim a very big percentage of trained manpower. Most of these accidents occur because of the neglected infrastructure. Many hon. Members here have raised questions related to bad roads and the Minister just says that, the roads will be done when funds become available or something like that. This country also loses a lot of money through insurance payments. All that money could have been saved if the Government took action to have the roads in this country repaired. We would not lose important people who have been trained using taxpayers' money, if the roads were repaired. If you calculate the amount of money we lose as a result of the people who die in hundreds and thousands, you will find that it is a lot.

Mr. Temporary Deputy Speaker, Sir, Uganda, which was in disarray the other day, is now on the road to recovery both economically, socially and politically because of good governance and people who respect citizens. The problem we have with our Government is that it is so political; the President, the Ministers and everybody in the Government only mind about their positions and do not care about the economy of this country, the people and peace. Those in the Government do not care about the people who have been killed, but only care about the positions they hold. They are only interested in whether they will be the President, Minister or Assistant Minister tomorrow, so that at the end of the month, they can receive their good pay at the expense of the economic development of this country. What matters in developed countries is the leadership that makes people prosper economically. But in this country, all those who are in power are interested in who will prosper politically. It is your own problem, if you cannot make money and yet you are in the Government.

We could not imagine that a whole Permanent Secretary would be involved in stealing public money, and yet he is the head of a Ministry. In this country, one is appointed to a senior position in the Government not to ensure that

the country develops and grows, but to make money and enrich himself. This is what has landed us into the problems that we are in today. We know that the situation cannot be rectified by this Government. It is too late for them to say that they will do something to revive the economy. They cannot do anything to revive the economy because their time is up! They have destroyed a country that was given to them 23 years ago. At the time of their exit, they will leave it barren. We pray to God that this year ends very fast so that they can go and then we show and teach them how to manage both the economy and the political affairs of this country, which they have been unable to do. Why do we have so many children who do not go to school? It is because their parents cannot afford school fees. Why do we have people dying of minor diseases? They cannot be treated in hospitals because drugs have been stolen. What Government is this? This is what happens and yet they cry all the time about economic problems. We pray to God that they go in peace and He blesses them.

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

**Eng. Toro:** Thank you, Mr. Temporary Deputy Speaker, Sir. Every year, Parliament discusses the Finance Bill and the scenario remains the same. Every year, the Minister for Finance promises Kenyans that he is giving a balanced Budget and that he is looking into their various problems, but they continue suffering. We know very well that Kenya imposes taxes on its people more than any other country in the world. What happens after Kenyans are taxed? The money is never used to give services to Kenyans. It is high time Kenyans started demanding services for the taxes that they are levied by the Government. Various taxes, either directly or indirectly, are paid by Kenyans and every year, Kenyans are promised that services will be improved, especially on infrastructure, health service and education system and nothing happens. We are now the fifth poorest country in the world and we never had any ranking 23 years ago. The question we continue asking the Government is: Given that taxation is so high and the revenue they collect is very high, why are they unable to offer services to Kenyans? Why are they unable to look into the issue of corruption so that Kenyans can benefit from the taxes they pay? If you look at all institutions that were functioning and paying Corporate Tax to the Government 20 years ago, you will find that they no longer exist. Farmers who used to produce and pay taxes to the Government are no longer doing so. What is the end result? The end result is that few people are paying taxes to the Government, and the Minister for Finance increases the tax burden on them. They would not mind if that tax was properly utilised.

I happen to have gone on a parliamentary tour to Germany and Britain and we were amazed at how public funds are utilised to give services to the citizens. In Germany, where we were for a week, every citizen is guaranteed free health service. When you go to hospital, there is no question of being told that there are no drugs and you cannot get treatment. Once you are sick, you go to a hospital and you are guaranteed of medical care. Once you retire, you are guaranteed of a pension to make you live comfortably. But in Kenya, the reverse is happening. Every child is entitled to go to primary school and up to university. They do not pay school fees. So, the tax burden on the citizens of Germany, for example, where we were, is properly utilised. So all the person has to do is work, have a good house, eat and sleep. You do not have to care about education, hospital burden *et cetera*. We would like to start by offering similar services to Kenyans. Years ago, education and medical services used to be free. There was no magic then which enabled the Government of those days to do that. It is only through proper control of public funds and that one can be done even today, if the Government is willing to do so. But we have the Cabinet, and the President is the manager of public funds. So whatever happens, the President is solely responsible to see that disbursement of public funds is done in the proper way. It is up to him to make sure that those he appoints to the Cabinet do exactly that. If they do not do that, then he cannot pass the blame to anybody else. It is up to him to make sure that he has got competent people in the Cabinet, in the Civil Service and in the parastatals to make sure that public funds are utilised for the benefit of wananchi.

Mr. Temporary Deputy Speaker, Sir, every taxation measure that is brought by the Minister seems to impoverish Kenyans more and more. At the moment, Kenyans are quite poor. Even the people who used to be called middle class cannot be called middle class any more. They are going down in poverty, and even the little resources they have are being taxed. Even the small luxuries they used to enjoy, they are now not able to afford them, because taxation on those luxuries has gone up. I will give an example of what we call second-hand vehicles. At one time, many Kenyans used to afford to buy new vehicles. Those in the Civil Service and parastatals would get loans and they would afford to buy new vehicles. When the economy deteriorated, they no longer could afford to buy new vehicles. So, whatever was now possible to be bought were second-hand vehicles. The Minister for Finance imposed taxation on second-hand vehicles. The Finance Bill (1997) introduced 20 per cent taxation on vehicles five years old which are being imported to Kenya. Those ones which are over eight years, he imposed Anti-Dumping Duty of 20 per cent, or Kshs60,000 whichever is higher. We know very well that those people who bought new vehicles from the local market ten years ago; 1991, and if they were kept properly, they look like new vehicles notwithstanding the poor roads we have. So, if a Kenyan is importing a ten-year old vehicle from Japan where the standard of infrastructure is 100 times higher than here, that vehicle would be far much better in all respects; mechanically and even comfort than a ten-year

old vehicle which was bought from the local market ten years ago. What is the rationale of saying a ten-year old vehicle should attract the Anti-Dumping Duty of Kshs60,000 or 20 per cent of its value and new vehicles attract only 30 per cent import duty? We know that second-hand vehicles attract a duty of 35 per cent, and if they are five years old and over they attract another duty of 20 per cent. It does not make sense at all.

If the Minister would care to check with most companies which are advancing loans to their employees to buy cars, he will realise that those companies talk about a vehicle which is about four to six years old. This is because they know those are vehicles Kenyans can afford. This is the category of vehicles that is being highly taxed by the Minister. I think the Minister should consider waiving the Anti-Dumping Duty. I intend to bring an amendment to that effect because we have to look at the buying capacity of Kenyans. Instead of punishing them, let us make sure that we facilitate them to acquire what they can afford. We should not make it very difficult for them to acquire what is within their reach.

**Mr. Mwenje:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Eng. Toro is making a very important point. But I would like to inform him that, in addition to the Anti-Dumping Duty the hon. Member is talking about, when one is buying a second-hand vehicle or a new one, he has to pay another VAT. Therefore, it becomes even more difficult for the second-hand car dealers to sustain their business. You can see this on part two of the Finance Bill. I would also urge the Minister to remove the VAT on the second-hand motor vehicles.

**Eng. Toro:** Thank you, Mr. Mwenje for informing me. You can see the concern of even other hon. Members, about the harassment of people who can only afford second-hand vehicles. Notwithstanding the taxation, before you import a second-hand vehicle, you ought to have paid about US\$150 for a roadworthy certificate from the country of origin for it to be inspected overseas before it is shipped to Kenya.

Mr. Temporary Deputy Speaker, Sir, importers of vehicles are also supposed to pay a pre-shipment inspection fee of about 2.75 per cent of the inspected value. They also pay road safety fund of Kshs4,000 per registration and a back licence of Kshs20 per day from the date you paid your import duty if you have not registered the vehicle. There is also the second-hand purchase tax on second-hand vehicles. All these penalties make it very hard for people to own second-hand vehicles. Why should Kenyans be penalized because of their poverty? Kenyans cannot afford to buy new vehicles because of all these levies. The only thing they can afford is only second hand vehicles. However, they are supposed to pay all these levies. Why does the Minister want to overtax Kenyans who are already poor? I would ask him to look into all this. He should tax other lucrative areas. He should check on those Kenyans who import goods and yet, they do not pay duties. We should not punish the poor Kenyans for whatever they want to own.

Motor vehicle dealers who import new vehicles have the privilege of bonded warehouses. That means once they import new vehicles, they put them into bonded warehouse and they do not pay duty immediately until they get a buyer and sell the vehicles. They enjoy preferential treatment over those who import second-hand vehicles. If today you want to import a second-hand vehicle, you must pay duty; that is, you pay purchase price and VAT. If you do not pay all these levies, then your vehicle will be auctioned in Mombasa. It is no wonder there are some vehicles auctioned at the Port of Mombasa by the Government. It is high time the Minister for Finance asked himself why are vehicles imported by Kenyans being sold by KRA in Mombasa instead of the owners clearing them? It is a very valid and disturbing question! The Minister should ease Kenyans problems. Kenyans who import second-hand vehicles want to use them in Kenya. Therefore, we should not deny them those facilities just because taxation is so high that they cannot afford to clear their vehicles from the Port of Mombasa. I am appealing to the Minister to look into that problem. Why are vehicles auctioned every month at the Port of Mombasa by this Government?

Mr. Temporary Deputy Speaker, Sir, I would like to comment on the VAT on the business premises. We have received complaints that landlords have already passed this tax to their tenants. Is this tax on business premises supposed to be met by the landlords or by the tenants? Tenants pay money to the landlord. Therefore, the person who has money is the landlord. The tenant is a poor person who struggles to pay house rent to the landlord. No wonder the landlord goes to the bank smiling all the time. Who is actually the beneficiary of this tax? Are we really targeting the landlords who get a lot of money by letting their premises? At the end of the day, the landlord will pocket over Kshs50 million and bank it. This is because it is the tenants who will pay the VAT. Is that what the Minister for Finance wants? Does he want the landlords themselves or the tenants to pay that money? If the intention was to over-burden the tenants with the VAT, I would appeal to the Minister to do all that he can and do away with this VAT.

**The Assistant Minister for Finance and Planning (Mr. Arap-Kirui):** It has been scrapped!

**Eng. Toro:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister says it has been scrapped. I was not aware of that. Those are things that consultations can be of help to the Minister because scrupulous landlords will end up passing the buck to the tenants.

Mr. Temporary Deputy Speaker, Sir, our economy cannot be revived by the Government of the day. Since 1978, when the present Government inherited a booming economy, we have been going down and down. Various excuses have been brought forward, not as reasons, why the economy is performing poorly. We have said it many

times, that if the Managing Director is responsible for bringing down a company, the Board of Directors meet and sack the Managing Director and his top managers. So, it is high time we looked into the possibility of sending the Managing Director of the Kenyan economy and all his managers home so that we can revive the economy. I would like to disagree with what the President said on Kenyatta Day that for the first time in history he would like the leadership of Kenya to be passed to the younger generation. If this happens, it would be the second time in history. It first happened when President Kenyatta passed the leadership of this country to a young Turk in the name of President Moi. He was just slightly over 50 years. So, we will inherit a ruined economy from the leadership of young Turks. In 1963 when we got Independence, leadership was taken over by an old man over 70 years old in the name of President Kenyatta, and he did a marvellous job. So, history will repeat itself. It is also high time that the leadership of this country went to an old man who can do what Kenyatta did and revive the economy. All over the world it is worth noting that any old man who takes leadership of a country works with young people and, when a young person takes the leadership of a country, he works with old people. That is why there is talk of young Turks taking over the leadership of the country. Because, once the young Turks take over, they will have to work with the old people who will dominate them and the economy will continue to be in shambles.

Mr. Temporary Deputy Speaker, Sir, we should think seriously about the economy of Kenya and the sacrifices that Kenyans can make especially in the education and health sectors. I would appreciate if students in Kandara Constituency were to walk to school because the road is poor. But the students should have free education from primary school to the university level. This is contrary to having a good road, telephone lines and computers and yet their parents cannot afford their education. Any country that wants to succeed in its affairs has got to invest in educating its own people. Failure to invest in education, we will end up with a country that cannot grow and at the end of the day we may have to import educated manpower from outside to come and work for us. Is that what Kenyans want?

Mr. Temporary Deputy Speaker, Sir, you are aware that many Kenyan professionals like doctors, lawyers and engineers have left the country to go and work in other countries, notably South Africa, Botswana and many others. It is also worth noting that those professionals who have left the country are the ones who got free education from the Government of yesteryears. They were given the opportunity to be educated free of charge. Whether an individual came from a poor or a rich family, they were all admitted to the same secondary schools and universities free of charge. They are the ones who are now going out to work in other countries. In another 20 years, I do not think we will be able to send professionals from Kenya to go and work outside Kenya because, for the past 15 years, we have not been producing professionals worth being called professionals.

Mr. Temporary Deputy Speaker, Sir, I happened to work as an expatriate for the Union of African Railways in Zaire. When I forwarded my application, because of my academic background - by that time the University of Nairobi was very reputable - I was a top contender and I got employed as an expatriate. Today, if you graduate from the University of Nairobi, you are not competitive outside Kenya. This is because our standard of education has gone down. We have not been able to maintain it. If you want to send your child, for example, to Australia or America, he or she must pass the TOEFL test. All of a sudden, Kenyan students who learn in English have to pass the TOEFL test. This never used to happen and we should ask ourselves why it is happening. It used to be automatic, and it should still be automatic. The Assistant Minister seems not to agree with me, but that is a fact.

Mr. Temporary Deputy Speaker, Sir, this country must invest in education. In the next financial year, the Minister for Finance should allocate more money to the Ministry of Education, Science and Technology. He could even reduce funding to other Ministries, but increase funding to the education sector. I am sure Kenyans will not complain, because they are already overburdened with the cost of education. The Minister should also increase funding for health care because these are the two areas that are killing Kenyans. There is a lot of poverty in Kenya. Since most Kenyans cannot afford a balanced diet, they get ill more often. When they fall sick, they go to hospitals, but they cannot afford to pay medical charges. They fall sick because they are poor and cannot afford a balanced diet. If they had money they would eat well and not fall sick. These two areas should be addressed so that Kenyans can have healthy minds, good academic background and a healthy body to be able to work.

Mr. Temporary Deputy Speaker, Sir, lastly, the Minister for Finance should allocate more funds for the fight against HIV/AIDS. Over the last one year, since we went to Mombasa and we agreed that we are going to fight HIV/AIDS as Members of Parliament, Constituency HIV/AIDS Committees have been launched and yet no funds have been allocated to those Committees. If the donor funding is not available, please Mr. Minister, avail resources from taxpayers to fight HIV/AIDS.

With those few remarks, I beg to support.

**Mr. Waitthaka:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Finance Bill. I have had the opportunity to listen to what hon. Members are saying and basically, Mr. Minister, maybe, the Government can hear. The main concern is not taxing Kenyans. The main concern and what we are worried



about is what is done with that money collected from them. This is because, if Kenyans are taxed because it is the business of the Government of the day to impose taxes on its people, it should be done on condition that those who are paying taxes will get the services. It is not free money that you get from the public. It is money bound by a social contract; that, while we are paying for that money, the Government should provide us with this service. It has been said time and again that this Government is collecting over Kshs200 billion per year and it is not giving services which are commensurate with the amount they are collecting as taxes. In fact, Kenyans will have no quarrel even if they pay taxes. As far as I am concerned, there is no even point of borrowing from outside because the Government is not a profit-making organisation. If the Government is not a profit-making organisation, and it borrows money from outside, what is it trying to show people? Is the Government trying to show people that in future, it will make profit to enable it to pay the loans?

All what you are doing is that you are eating into your future because you will have to impose taxes among your people to pay the loans. In my view, there is no point of borrowing; increase taxes and give services. That is where the crux of the matter is. This is because there will be no time the Government will ever make profits. Even us as hon. Members, when we are broke, we may go to the Accountant or the Clerk and get a salary advance. You think that you are rich because you have got a salary advance on the 6th of the month. But you are not anywhere richer than you were before. All what it means is that at the end of that month, you will not get a salary. Therefore, you have eaten into your future. When you hear that a country is overborrowing, the correct terminology is that the Government is over-eating into its future because it will never make profits to pay those loans. This is because it is not supposed to trade with the people that they collect taxes from.

There is this one scenario that the Government has come up with; a Budget and the Finance Bill. The Finance Bill will enable the Government to tax Kenyans. But the main worry is that Kenyans are paying other illegal taxes to officers in this Government. For example, if a Kenyan goes to report to a police station - that he has been robbed or attacked by robbers at home, all that he or she is told is that there is no fuel for GK Land Rover to go to the scene of crime and that person should come with Kshs2,000 to fuel the vehicle. Where does that money go to because that is an extra tax? The only reason is that when an OCS, and I keep on repeating this, goes to the OCPD to collect money for his police station, he is told by the OCPD that there is no money and he or she should go back to the police station and then think what he or she can do in order to assist himself or herself. If you tell a police officer who is an OCS to go and think about what he is going to do and he is a man with a gun, all what you are encouraging him to do is to go and use his powers with the coercive instruments - the gun to collect money illegally from the public.

So, when we pass this Bill, we would urge this Government to allocate resources to the Office of the President, down to the OCPD and police stations because the Office of the President seems to be taking the lion's share in the Budget, yet they are not giving adequate service to Kenyans. Kenyans are forced to pay more.

In the District where I come from, if you go to the Land Control Board, where you are supposed to pay only Kshs50 to make an application for consent of the Land Control Board to either charge your property or sell your property to somebody else, you are told that for you to get a consent of the Land Control Board, the vendor is supposed to pay Kshs2,000 and the purchaser pays Kshs2,000. So, you ended up paying a tax and you are not given a receipt. You end up paying Kshs4,000 for an application for the consent which is otherwise supposed to be Kshs50. That payment is not well taken care of. The reason that we are getting from the District Officers - DOs - is that when they go to the DC to ask for money for fuel to be used in divisional headquarters, they are told that there is no money and you should go and think about it. The DOs do those illegal deals with the express permission from the District Commissioners and, of course, by extension from the PC and the Ministry. The illegal taxation of Kenyans is the one making them feel that they do not need to pay tax to this Government. For example, if you have been dutifully paying taxes to the Government, and you request for a service from the same Government, which you cannot get, you feel not duty-bound to continue paying taxes to that Government. That is why many Kenyans are doing all that they can to evade paying taxes because even when they pay taxes, the money is not well utilised. It ends up in the pockets of a few Kenyans. That is why we have a very high rate of evasion of taxation.

My colleague, Eng. Toro, has talked about the VAT on commercial premises whose burden has also been passed to the tenants. The money that the tenants have paid has been remitted to the Kenya Revenue Authority. Now, the Minister suggested, in his speech, that he is going to waive it. What is going to happen to those who had paid the money that had been remitted to the Kenya Revenue Authority? When replying, the Minister should address himself to this point because that is not the money belonging to the landlord but belonging to a tenant who had paid the landlord the VAT and the landlord remitted the money to the KRA. When you cannot credit the landlord against his account in VAT account, it is supposed to be refunded to the tenants who may not have an account with the KRA. The Minister should address himself to this, when he is replying to our contributions, so that we are able to tell those tenants, who may be our electorate or even sometimes it may be ourselves so that we know how that money is going to be paid back to the tenants and not to the landlord. It is a very pertinent point and we thank the Minister for seeing sense in

removing that tax because it has raised a lot of eye-brows and hue and cry amongst those who are paying rents to the landlords.

We are saying that the Government is not using taxes well and that issue should be addressed. I only want to mention it in passing, as said by my friend, Eng. Toro. That is why we are not getting sound education from this Government. That is why there is mushrooming of private schools in--

#### **ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Muturi): Order! Hon. Members, it is time for the interruption of business. The House is, therefore, adjourned until Tuesday, 30th October, 2001.

The House rose at 6.30 p.m.