

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 26th July, 2000

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Meru Mulika Lodge for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Meru Mulika Lodge for the year ended 30th June, 1997, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Kenya Utalii College for the year ended 30th June, 1998, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Golf Hotel for the year ended 30th June, 1995, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Marsabit Lodge for the year ended 30th June, 1996, and the Certificate thereon by the Auditor-General (Corporations).

Annual Report and Accounts of Catering Levy Trustee for the year ended 30th June, 1997, and the Certificate thereon by the Auditor-General (Corporations).

[By the Assistant Minister for Tourism, Trade and Industry (Mr. Sankori) on behalf of the Minister for Tourism, Trade and Industry]

ORAL ANSWERS TO QUESTIONS

Question No.330

RETRAINING OF POLICE OFFICERS

Mr. Munyasia asked the Minister of State, Office of the President, when the retraining of police, particularly against use of torture during interrogation, as promised by the Attorney-General in 1997 will start.

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

Police training is a continuous process which is formally undertaken at the Kenya Police Training College, Kiganjo, CID Training School, GSU Training School, and other institutions. When the measures which the hon. Member is talking about were put in place in 1997 by the Attorney-General, the process of retraining the police started then and it is an on-going process.

Mr. Munyasia: Mr. Speaker, Sir, on the authority of the human rights organisation, Western Province, 15,000 residents of the area have suffered under the police. They have got wounds inflicted by the police during investigations. If there is any training at all for the police officers, then it is has no effect.

Mr. Speaker, Sir, could the Assistant Minister tell us when the Government completed drawing the manual which they are using in training the Police Force? They had not been trained in anti-torture methods by 1997?

Mr. Samoei: As I said earlier on, the Attorney-General did undertake to this House that the curriculum on police training would include aspects of human rights and anti-torture measures. As the Attorney-General made the pledge to this House, the Commissioner of Police was instructed, and we did have experts from the Kenya Human Rights Commission to help the Police Force build in their curriculum respect for human rights. Regrettably, some of

our police officers have not responded to that training. But by and large, majority of our police officers have changed and the situation is improving. Unfortunately, I cannot certify that 15,000 people from Western Province have been victims of our police officers. It is regrettable that we do have police officers who still use excessive force on members of the public. This trend will definitely change.

Mr. Mwakiringo: Mr. Speaker, Sir, our police officers are still behaving in the same old way they used to. I do not think the retraining is an on-going process. How many months, whether recruited [**Mr. Mwakiringo**] or not recruited, does it take the police officers to be trained on public relations as Government officers?

Mr. Samoei: Mr. Speaker, Sir, we do not have a specific period of time. The training takes nine months. From 1997, the proportion of the men and women that we have turned of our training institutions is a fraction of the entire Police Force. I am confident that with time, our training at the police training centres will have effect on the general performance of the Police Force.

Mr. Kajwang: Mr. Speaker, Sir, torture during interrogation is caused by the aspirations of police officers to extract evidence from the arrested persons. When will the Assistant Minister change the law so that evidence obtained by police officers is not used against accused persons? If there is any confession at all, it should be made to a magistrate instead of a police officer.

Mr. Samoei: Mr. Speaker, Sir, evidence obtained from persons under torture is not admissible in court.

Mr. Munyasia: Mr. Speaker, Sir, since retraining of police is not having any effect, could the Government undertake to pay the medical costs of these particular victims? I have in mind four cases which were reported to the Commissioner of Police from Bungoma last week. Those who are victims of violence are tortured by the police so that the actual culprits may escape. Those people are now being treated by their families. Could the Government undertake to treat those people?

Mr. Samoei: Mr. Speaker, Sir, as much as what the hon. Member is saying is true, unfortunately, we do not have a provision for compensating people unless these cases are proved beyond reasonable doubt. It is only the courts that can award compensation to people who have been victims of excessive force.

Mr. Twaha: Mr. Speaker, Sir, is the Assistant Minister aware that although their officers in Lamu West, Witu Division, are well-trained, they do not have a vehicle to exercise what they have learnt?

Mr. Samoei: Mr. Speaker, Sir, as and when we are in a position, we will provide means to help police officers carry out their duties.

Mr. Speaker: Next Question, Mr. Mwakiringo!

Question No.306

REMITTANCE OF REVENUE TO
DISTRICTS BORDERING NATIONAL PARKS

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

(a) if he could explain why 25 per cent revenue collected from national parks has not been remitted to the districts, which border these parks and reserves from 1994 as recommended by the House on 6th April, 1994; and,

(b) what action he is taking to ensure the same is remitted, back-dated from 1994.

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

(a) The Kenya Wildlife Conservation and Management Act, Cap.376 of the Laws of Kenya, has not been amended to provide the appropriate legal tools to implement the Motion. Since this has not been done, there is no provision for the Kenya Wildlife Service (KWS) to share or distribute its revenue to other bodies, organisations or communities. However, since 1994 to date, KWS has spent a total of Kshs46,442,694 in support of community projects in Taita/Taveta District.

(b) This will only arise when the legal provisions are put in place.

Mr. Mwakiringo: Mr. Speaker, Sir, I am surprised by the Assistant Minister's response. As you are very much aware, the communities living around the national parks expect some development activities to be supplemented by the KWS. I am not refuting the figure of Kshs46 million, but having passed this Motion in 1994, what has the Ministry been doing to see to it that the amendment of Cap.376 of the Laws of Kenya is done for this Motion to become a reality?

Mr. Samoei: Mr. Speaker, Sir, unfortunately, the relevant parts of the Kenya Wildlife Service Act have not been amended. They have not been forwarded to this House to facilitate compliance with the terms of the Motion by KWS. However, KWS has continued to support projects in areas and communities that live around the national parks.

It spent Kshs46 million in respect of Taita/Taveta District. This went towards achieving the spirit of the Motion.

Mr. Keriri: Mr. Speaker, Sir, it is unfortunate that the Assistant Minister is avoiding answering the Question. The hon. Member asked him why it has taken very long for the Government to bring an amendment to the Act so that this Motion is implemented. The Assistant Minister has said that it is unfortunate that the Act has not been amended. If it is that unfortunate, why has he not brought that amendment here?

Mr. Samoei: Mr. Speaker, Sir, because of the spirit in which the KWS Act was passed, we have been careful not to bring amendments that would negate the general spirit of KWS. However, our experts are looking at ways and means of bringing the necessary amendments and we promise that this will be done as soon as possible.

Mr. Mwakiringo: Mr. Speaker, Sir, I have very high respect for the Assistant Minister and the Minister, Maj. Madoka. If it is amendments to protect corrupt officials in this House, that is done very fast. But when it is an amendment affecting the community living around the KWS, it takes years and years. Could they ensure that this amendment is slotted in the current Statute Amendment Bill which the Attorney-General will be introducing, so it is also passed in the next few months?

Mr. Samoei: Mr. Speaker, Sir, we will look at the request by the hon. Member. has made.

Mr. Mboko: Mr. Speaker, Sir, could the Assistant Minister tell the House how much money, since 1994, has been remitted to Makueni District?

Mr. Samoei: Mr. Speaker, Sir, I have figures for all the other districts, but they are not with me here as the scope of the Question did not include that.

Mr. Speaker: Next Question, Mr. Kariuki!

Question No.414

PAYMENTS TO PRE-SHIPMENT INSPECTION COMPANIES

Mr. Speaker: Mr. Kariuki not in? We shall come back to this Question later. Next Question!

Question No.479

DELAYED SALARY PAYMENT TO P1 TEACHERS

Mr. Katuku asked the Minister for Education:-

- (a) if he is aware that P1 teachers who qualified in 1997 have not been paid their salaries in full; and,
- (b) what caused the delay and when they will be paid.

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

(a) I am not aware that these teachers have not been paid since 1997. What happened is that, the teachers who left college at the end of 1997 and were sent to various schools were paid as untrained teachers. When TSC received the results of the examination in February 1998, they were then paid the correct salary, including the arrears that had accrued. Under the circumstances, there was really no delay in adjusting the salaries of these teachers.

Mr. Katuku: Mr. Speaker, Sir, the Assistant Minister says that there has not been any delay while I have names of more than five teachers who have not been paid and yet they graduated in the years I have stated here. This Ministry has a tendency of paying teachers around 15th of every month. It appears there is a problem with this Ministry. Could the Assistant Minister tell the House why there are delays in paying teachers' salaries every month?

Mr. Awori: Mr. Speaker, Sir, if the hon. Member can avail to me the list of the names of the five teachers he has referred to, who have not been paid their correct salaries, I will ensure that they are paid.

As to why from time to time there is a delay in paying teachers salaries, sometimes the computer breaks down.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. As the Chairman of the Computer Society in this country, he is not in order. But my question is---

Mr. Speaker: Dr. Ochuodho, I thought you rose on a point of order!

Dr. Ochuodho: Mr. Speaker, Sir, I wanted to ask a question.

Mr. Speaker: Then sit down and rise.

(Dr. Ochuodho sat down)

That is now correct. What is your question?

Dr. Ochuodho: Thank you, Mr. Speaker, Sir. I hope the Government is going to leave this tradition of blaming the computers, even when it is not right to blame them. However, there are many of P1 teachers in my area who are not employed. When the Ministry transfers teachers from certain districts to the other, why can it not consider recruiting within those very respective districts before it considers bringing in teachers from other districts?

Mr. Awori: Mr. Speaker, Sir, I am sure the hon. Member is aware of the difficulties that are facing this country. We have a surplus of teachers, and until we have rationalised the situation and made sure that where there is a surplus of teachers, we have removed them and brought them into an area where there are fewer teachers, we cannot recruit extra teachers.

Mr. Speaker: I have not heard Mr. Nyanja today!

Mr. Nyanja: Thank you Mr. Speaker, Sir. That is why I love you!

Mr. Speaker: What did you say?

An hon. Member: Apologise!

Mr. Nyanja: I cannot apologise for loving somebody.

Mr. Speaker, Sir, the AIDS scourge is affecting everybody in this country and the entire continent. We would like to know what the Ministry is doing to make sure that our children do not suffer due to lack of teachers, because teachers are dying in great numbers in this country as a result of this epidemic?

Mr. Awori: Mr. Speaker, Sir, in carrying out rationalization or balancing out, we have taken into consideration natural attrition which includes deaths from HIV/AIDS. I would like to assure the hon. Member that we will ensure that no children of this country are left without teachers.

Mr. Katuku: Mr. Speaker, Sir, now that the Assistant Minister has assured me that all teachers in this country will be paid immediately, I would like to call upon all teachers who have not been paid to contact me so that I present the names to the Ministry.

Mr. Speaker, Sir, in view of what the Assistant Minister has said, that there is balancing of teachers from the over-staffed areas to the under-staffed areas, could the Ministry consider recruiting students from the under-staffed regions to teacher training colleges so that in future there is no imbalance in staffing?

Mr. Awori: Mr. Speaker, Sir, we will take that into consideration. But I would like to remind the hon. Member that when we train teachers, we do not train them specifically for the regions from which they come. They are trained to teach anywhere within the borders of Kenya and beyond.

Question No.198

TERMINATION OF MR. MUNGAI'S EMPLOYMENT

Mr. Anyona asked the Minister for Labour:-

(a) if he is aware that the employment of Mr. Erastus Ndung'u Mungai was terminated on 31st July, 1991 after 30 years' service with M/s Nemchand and Company Limited/Furaha Service Station of P.O. Box 110, Thika, contrary to provisions of the Employment Act (Cap.226);

(b) if he is further aware that Mr. Mungai has not been paid his terminal benefits amounting to kshs117,440 in accordance with the Employment Act, the Trade Disputes Act (Cap.234) and the Collective Agreement between the Transport and Allied Workers Union (TANU) and Thika Merchants Group of the Federation of Kenya Employers (FKE); and,

(c) if he could investigate this irregular termination as well as the failure to pay his terminal benefits for such a long period of time and take urgent remedial measures in both cases.

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

(a) I am aware that Mr. Erastus Ndung'u Mungai was summarily dismissed for desertion of duty with effect from 31st July, 1991 in accordance with provisions of Section 17(g) of the Employment Act, Cap.226.

(b) Mr. Mungai was paid his statutory entitlements amounting to Kshs7,200 on 3rd September, 1992.

(c) In view of my answers to parts "a" and "b" above, part "c" does not arise.

Mr. Anyona: Mr. Speaker, Sir, I have always really wondered whether this Ministry of Labour is necessary in this country, because they never help people. If anything, they just betray the people. Here is a Kenyan who has served for 30 years, and the Minister simply says he was summarily dismissed. Could the Minister explain in detail, the circumstances of that dismissal and lay on the Table the letter of dismissal? Let us see what it says.

Mr. Ngutu: Mr. Speaker, Sir, Mr. Erastus Ndung'u Mungai was employed by M/s Nemchand Company Limited as a pump attendant on 2nd January, 1971 after having served with the previous management since 1966. On

31st July, 1991 Mr. Mungai deserted duty. The company learnt that he had been arrested and jailed for a period of six months. He was accordingly, dismissed with effect from 31st July, 1991. Both the Transport and Allied Workers Union and the District Labour Officer were informed accordingly. He was accordingly dismissed in accordance with provisions of Section 17(g) of the Employment Act, Cap.226 Laws of Kenya, which stipulates:-

"An employee shall be summarily dismissed for gross misconduct, in the lawful exercise of any power of arrest given by or under any written law, an employee is arrested for a cognizable offence punishable by imprisonment and is not within ten days either released on bail or on bond or otherwise lawfully set at liberty".

Mr. Mungai was not set free within the stipulated ten days. His terminal benefits are as follows:-

Salary for July 1991	-	Kshs2,200
24 Days Leave for 1990/91	-	Kshs2,000
Ex-Gratia Payment	-	<u>Kshs3,000</u>
Total		<u>Kshs7,200</u>

The amount was deposited with the Labour Office on 3rd September, 1992 and Mr. Mungai was paid by voucher No.0067 of 9th September, 1992. As Mr. Mungai was summarily dismissed, he is not entitled to wages in lieu of notice and service gratuity.

Mr. Muchiri: Mr. Speaker, Sir, here is an employee who had served a company for 30 years. He never committed an offence which involved that company. On humanitarian grounds, could the Minister consider terminating the services of Mr. Mungai in a manner that will enable him get his terminal benefits, considering that he has served that company, half of his life time?

Mr. Ngutu: Mr. Speaker, Sir, I do not have powers to reinstate the employee or to give him service gratuity. As already stated, the law is very clear here, that he was dismissed for gross misconduct and there is nothing else that I can do.

Mr. Muturi: Mr. Speaker, Sir, arising from the Minister's answer, the section of the law that he has referred to says that, if a worker or an employee is held in custody and is not released on bail for a period of 10 days---- We do know that the police in this country arrest people and detain them for periods even in excess of one month and on such occasions they allege that they are operating under the powers granted to them by constitutional provisions. Could the Minister, in the light of the constitutional provision that allows the police to detain persons for periods of up to 14 days, consider introducing appropriate amendments to the section of the law, in the Employment Act (Cap.226), so that it is in consonance with the constitutional provision, which allows policemen to detain people for periods in excess of the 10 days that the section talks about?

Mr. Ngutu: Mr. Speaker, Sir, I agree that there is need for an amendment for that provision to ensure that employees get a fair deal from their employers. As I said in the past, the question of amending the Labour Laws is quite involving, and in the past we have been limited by finance and lack of manpower. Currently, we have already put up proposals for getting extra funds and provisions for creating a legal unit to be able to hasten the review of our Labour Laws. As soon as we are ready, this will be dealt with accordingly.

Mr. Anyona: Mr. Speaker, Sir, this is a case that deserves the sympathy of this House. For that reason, I will give some background information.

Mr. Erastus Ndung'u Mungai who was a freedom fighter was arrested in 1952 and detained in Manyani for seven years and was released in 1959. When he came back, his land had been taken and when he tried to settle back, he was considered as a squatter. This particular case he is referring to was a case of trespass. He was accused of trespassing on somebody's land and that is the reason for which he was arrested and jailed. But the case was later on overturned. The judgement was overturned by the court.

Mr. Speaker, Sir, in the name and interest of justice, could this Government consider looking into this case on humanitarian grounds, if nothing else, so that this man can get his benefits? He is an old man who has served this country and paid for the freedom which this Ministers are enjoying here right now?

Mr. Ngutu: Mr. Speaker, Sir, I sympathize with the employee in question. It is obviously a very bad thing that he lost almost everything after having served the company for so many years. The only thing I can do at the moment, as my powers provide, is to discuss his case with his employer and try to find ways and means of reversing some of his decisions in this particular case. I would then get in touch with the hon. Member to tell him exactly what has happened.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. In view of the importance of this matter, could I request through the Chair, that the Minister does the necessary consultations, and brings the report to the House? In all fairness, it is wrong to treat a Kenyan like this!

Mr. Ngutu: I will do that, Mr. Speaker, Sir.

Question No.310

REVIEW OF WAGE GUIDELINES

Mr. Speaker: Very well. Question No.310 by Mr. Ndicho is deferred to tomorrow.

(Question deferred)

Question No.317

PURCHASE OF POWER GENERATION FUEL BY KPLC

Mr. Speaker: Question No.317 by Mr. Weyrah is withdrawn.

Mr. Muchiri: On a point of order, Mr. Speaker, Sir. You have said many times that once a Question has been brought to this House, it belongs to the House! How can it be withdrawn?

Mr. Speaker: Listen, Mr. Muchiri and all other hon. Members. The Question is never in the House until asked. That is the law!

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

Mr. Speaker: Order! Order!

Dr. Ochuodho: It is a different Question, Mr. Speaker, Sir.

Mr. Speaker: Order! Order! There cannot be a different Question when there is no Question! The law is very simple. Once a Member has put in a Question, before that Question is asked, it is the property of the hon. Member. It only becomes the property of the House when asked. So, it is withdrawn and so ordered!

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. I appreciate that the Question has been withdrawn. But considering the gravity of the power rationing problem that we have, I think it is important, in the interest of the country, that we know why it is being withdrawn? Unless money has changed hands here---

Mr. Speaker: Order! Order! Dr. Ochuodho, do you have evidence?

Dr. Ochuodho: Mr. Speaker, Sir, I said "unless." I appeal to you to let the country know why this important Question is being withdrawn.

Mr. Speaker: Order! Have you ever heard of the expression that you have "no legs to stand on?" The Chair cannot ask questions and once the Question has been withdrawn by the Questioner, there are "no legs" upon which that Question can ever make entry here! So, it is withdrawn.

Mr. Katuku: Mr. Speaker, Sir, this Question is very important, you have said it and everybody knows. Could you allow me to ask this Question tomorrow?

Mr. Speaker: Order! As I said, the Question has been withdrawn. That is the position as it is now!

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir. Somebody wanted to withdraw a Motion which was before the House last week and the Speaker ruled that once a Motion or a Question has been brought to the Floor of the House, it belongs to the House, and it can only be withdrawn if there is nobody objecting the withdrawal. So, this Question belongs to us all as we are interested in it.

Mr. Speaker: Order! Order! I do not know whether you are listening to me, Mr. Angwenyi! I think hon. Members must understand clearly that there is a difference between a Question that has made its way into the House and a Question that has not made its entry to the House. The Question makes its entry into the House through a Member who asks it. Once asked, then it is for us all. Before that stage, it is not before the House and so is a Motion. A Member can withdraw a Motion any time before it is moved and question proposed from the Floor of the House. But once proposed from the Floor of the House---

An hon. Member: But who is withdrawing the Question?

Mr. Speaker: Order! Order! My powers are to accept withdrawals which I do now accept!

(Question withdrawn)

Mr. Michuki: On a point of order, Mr. Speaker, Sir. I am seeking guidance from the Chair. This is because during the Seventh Parliament, and due to persistent negative approach to Questions replied to by the former Member of Parliament for Kwale, Mr. Mwamzandi, I remember standing here and proposing to the Chair that I should not ask a Question because I knew it would receive a negative answer. The Chair insisted that the Question belonged to the House and, therefore, it had to be asked; I could not withdraw it.

Mr. Speaker, Sir, I am trying to seek whether we might be guided, in your considered opinion and in relation

to that incident in the Seventh Parliament, whether what you have ruled today is what we are going to follow or what you said at that time?

Mr. Speaker: I can just say this for the avoidance of doubts. First of all, I have no recollection of making that ruling. According to the rules of the House, to the best of my knowledge, I could not make a ruling as you allege. Unless, you show me that HANSARD, I can assure you it could not be from me.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. In an attempt to familiarise myself with the Standing Orders--- I was looking at the Standing Order 36 with regard to notices of Questions. I failed to locate anywhere, the provision for withdrawing Questions once they are put on the Order Paper.

May I know from the Chair, has it happened in the past, whereby a Question appears on the Order Paper and then it is withdrawn? You have been here much longer than me.

Mr. Speaker: Order! Dr. Ochuodho, do you expect me to be a walking encyclopedia of what has happened in this House? I cannot remember everything that has happened here, because it is not humanly possible.

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir. Supposing I was to frame the same Question and bring it before you, will you allow it to be asked on the Floor of the House?

Mr. Speaker: Order! Listen to this: A Question, when it has not been made to the House, is not a question. Therefore, it has not been adjudicated or deliberated upon by this House. Any hon. Member is at liberty to proceed and bring a similar Question, if you wish.

Question No.343

DEATH OF MR. KOOME

Mr. Murungi, on behalf of **Mr. Mwiraria**, asked the Attorney-General:-

(a) if he is aware that Mr. Franklin Koome died on 30th October, 1999, following a fight with other young men and that the police carried out investigations and recommended that two young men be charged with his murder;

(b) if he is further aware that the two suspects were discharged under Section 233 of the Criminal Procedure Code and an inquest No.17/97 instituted instead; and,

(c) if he could inform the House whether he is satisfied that justice is being done in this case.

Mr. Speaker, Sir, I have been informed by Mr. Mwiraria that there have been consultations between him and the Attorney-General and have requested that this Question be deferred.

Mr. Speaker: Indeed, I am aware of the consultation. So, the Question is deferred. I do not know whether until tomorrow or to some other day. For the second time, Question by Mr. Kariuki.

(Question deferred)

Question No.414

PAYMENTS TO PRE-SHIPMENT INSPECTION COMPANIES

Mr. Speaker: Mr. Kariuki is still not here? The Question is dropped.

(Question dropped)

QUESTIONS BY PRIVATE NOTICE

EUROPEAN UNION LOANS FOR SMALL ENTERPRISES

Mr. Sambu: Mr. Speaker, Sir, on behalf of **Mr. Leshore**, I beg to ask the Minister for Finance the following Question by Private Notice.

(a) How much money has been received from the European Union as soft-loan for small enterprises during the 1998/1999?

(b) How many small enterprises benefitted in Samburu District?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Speaker, Sir, I beg to reply.

(a) Let me start by clarifying that money from the European Union is not given on a financial year basis, but on specific signed financial contracts. Through the European Investment Bank (EIB), the European Union has

provided soft loan facilities to support medium and small-scale investors and entrepreneurs in Kenya. The loans have been provided through the Global Private Enterprise (GPE) I, II, III (A & B) and IV Loan Schemes. The following contracts were signed in 1998 and 1999. EIB-GPE IIIB which commenced in 1998 and was for the amount of 10 million ECU which is equivalent to Kshs500 million. This loan has been fully disbursed. The second one which commenced in 1999 was EIB-GPE IV amounting to 55 million ECU equivalent to Kshs4 billion. This has yet to be disbursed. EIB-GPE IV which I have just referred to was launched in December 1999 and disbursement of Kshs4 billion is awaiting legal arrangements with approved financial intermediaries and Central Bank of Kenya.

(b) There are no small enterprises from Samburu District which have made use of this loan programme.

Mr. Sambu: Mr. Speaker, Sir, part "b" of the answer given by the Assistant Minister says there are no small enterprises from Samburu District which have made use of these loan programmes. We are talking about Kshs500 million which have been disbursed. Could he then lay on the Table of this House, a list of each constituency or district showing how this loan was disbursed?

Mr. Arap-Kirui: Mr. Speaker, Sir, according to the information I have, there has been no application for these loan facilities in 1998 and 1999 from the small enterprises in Samburu District. On the question of information as to how much each constituency got, I think that may not be practical.

Mr. Angwenyi: Mr. Speaker, Sir, this Question is very important. I am glad for our colleague who is suffering in pain in England, for filing this kind of Question. It is the Government policy to develop more enterprises in the entire country. Could the Assistant Minister tell this House what mechanisms have been put in place to make people aware of these type of facilities? Could he give us a list of enterprises which have been financed under this programme in every constituency? We can give him enough time to do that.

Mr. Arap-Kirui: Mr. Speaker, Sir, I am aware that our colleague hon. Leshore must have felt very strongly to think of sending an E-mail in connection with this Question. But the facts of the situation cannot change. The Government, of course, encourages its citizens whenever there are these facilities, to apply in every corner of our country. Usually whenever these facilities are available, they are announced through the Press and banks, as well as other financial institutions advise their customers of availability of this facility. In some cases, I do recall, there have been pamphlets available at banks for prospective loanees to fill them. I have got here a list of 188 successful loan applicants. I have got an analysis of the institutions which disbursed this loan. This may be of assistance to hon. Members.

As I said, these facilities are open to everyone and everybody in the whole country and we do not go by constituency. For example, the DFCK has loaned 49 enterprises or individuals. Kenya Commercial Bank has loaned 35, Standard Chartered Bank 7; Barclays Bank of Kenya 23; East African Development Bank 9; Industrial Development Bank 27; National Bank of Kenya 4, and Stanbic Bank 4. The total is 188 loanees.

But, Mr. Speaker, Sir, the other exercise, probably in my view, unless the hon. Member specifically wants it, as I said, these loans are open to everyone in the whole of this Republic.

Dr. Ochuodho: Mr. Speaker, Sir, in view of the historic launch of the Kenya Roads Board Authority yesterday by the Government, that puts in place decentralisation of management of State funds, and also in view of an answer given by the same Assistant Minister in this House further to a Question by hon. Michuki on 5th July; the Jua Kali Account Fund would only be having about K£2 million.

Mr. Speaker, Sir, further to the reply the Assistant Minister has given today with regard to the amount that we have received just from the European Union, can he then give a reconciliation? Where is this money? Why is it not in this account? Can he also tell the House why we cannot consider having District Jua Kali committees similar to the District Roads Committees, to manage the use of Jua Kali funds within the districts?

Mr. Arap-Kirui: Mr. Speaker, Sir, I think the Member is confusing a number of issues here. I did not specifically answer the question relating to funds. But the funds that I believe he is referring to are the ones within the Government. These are monies in the commercial sector which have been advanced to us by the European Investment Bank (EIB). So, the two are not related. Let me also explain that the Jua Kali Association is a very specific sector, and if there are Jua Kali funds, they will be meant for that sector only. On the other hand, funds such as we have here, are available to all enterprises, either Jua Kali or those individuals who are not operating under the Jua Kali sector. I hope that clarifies the issue raised by the hon. Member.

Mr. Sambu: Mr. Speaker, Sir, would the Assistant Minister tell the House at what rate the EIB lends or advances the monies to the local banks? Also, at what rate do the banks then lend it to the Kenyan entrepreneurs? Would he also tell the House why this money is not channelled also through the Kenya Industrial Estates (KIE), so that it can get to small-scale entrepreneurs in areas like Maralal?

Mr. Michuki: Why?

Mr. Arap-Kirui: Mr. Speaker, Sir, I hope the Member will let me answer the question and stop distracting

me. Hon. Sambu might have to repeat his first question. But if I can go to the second one about the KIE, and he has to thank hon. Michuki for that; the KIE, as far as I know, is free to come forward and provide these funds because as the Member probably heard, there are a number of Government institutions, like the Industrial Development Bank and so on, that are managing those funds. I am sure if the KIE would like to come forward, it would be facilitated, so that they can lend these monies to those individuals. Hon. Sambu may wish to repeat his first question, courtesy of hon. Michuki.

Mr. Speaker: What was your first question?

Mr. Sambu: Mr. Speaker, Sir, my question was clear. At what rate are the commercial banks getting the money from the EIB? Secondly, at what rate are they advancing or lending it to the Kenyan entrepreneurs, because there is a very big gap? They are trading on the EIB money.

(Applause)

Mr. Arap-Kirui: Mr. Speaker, Sir, if the Member knows there is a very big gap, I do not know why he is asking me. It means he has the information.

Mr. Speaker: Order, Mr. Assistant Minister! This is not for the benefit of the Member alone, it is for the benefit of the House and the country. It is the property of the House.

Mr. Arap-Kirui: Mr. Speaker, Sir, I think you interrupted me; I was getting to what I was going to say.

Mr. Speaker: Order! Mr. Arap-Kirui, does the Speaker ever interrupt any Member? I give you my microphone!

(Laughter)

Mr. Arap-Kirui: Mr. Speaker, Sir, maybe, it is the right word. I do not have full facts here with me, but as I said, these are soft loans. To my recollection, the highest that financial institutions charge is about 12 per cent, which is less than half some of the rates charged by commercial banks.

Mr. Michuki: Mr. Speaker, Sir, the Assistant Minister knows because he is the one who licences banks, that commercial banks are closing their branches all over the country. This money, like money from IFC and European Union, is all taken to those banks which have locked out Kenyans because of minimum balances. Could he undertake to channel that money through the District Loans Boards which are more in touch with Kenyans who were intended to benefit from those loans, rather than tuck it in industrial banks about which nobody knows in the rural areas?

Mr. Arap-Kirui: Mr. Speaker, Sir, the Government is as keen as any Member in this House to ensure that this money reaches the targeted enterprises. We are open and we will be looking into various possibilities of channelling those funds to reach all our people in the rural areas. Maybe, I can put in a word of caution; I think the District Loans Board, to my knowledge, do not have the capacity to manage serious monies. That is another issue and I do not wish to get into that at the moment. But we are open, flexible and we will look into all ways and means to get those funds to the targeted beneficiaries.

Mr. Speaker: Next Question, Mr. Murungi!

TERMINAL BENEFITS FOR FORMER EMPLOYEES
OF ABOGETA SOCIETY

Mr. Murungi: Thank you, Mr. Speaker, Sir. I beg to ask the Minister for Agriculture the following Question by Private Notice.

(a) Is the Minister aware that the 114 former employees of Abogeta Farmers Co-operative Society Limited (in liquidation) cannot pay school fees, or meet their daily necessities because the liquidator of the society, M/S Gatumo and Associates, has not paid their salaries and terminal benefits amounting to Kshs26,100,601.05?

(b) Why has the liquidator refused to pay the said dues considering that the society has assets worth over Kshs120 million?

(c) What urgent steps is the Minister taking to ensure that the liquidator pays the said dues without further delay?

The Assistant Minister for Agriculture Livestock and Rural Development (Mr. J.D. Lotodo): Mr.

Speaker, Sir, I beg to reply.

(a) I am aware that former employees of Abogeta Farmers Co-operative Society Limited have not been paid their salaries and terminal benefits amounting to Kshs11 million and not Kshs26,100,601.05.

(b) The liquidator has not refused to pay the said dues as liquidation exercise is a process and not an event. In this regard, the liquidator has categorised the debts as follows:-

First, pre-preferential debts (GoK taxes, courts fees and liquidation fees). Second, preferential debts (employees' salaries, arrears and terminal benefits). Third, secured debts; fourth, unsecured creditors; and fifth, members of the Abogeta Co-operative Society (in liquidation). In addition, the society has no funds in its account but only debts. The value of the society's assets also given as being over Kshs120 million is exaggerated. In any case, those assets are not easily convertible into liquid cash immediately.

(c) The liquidator has taken the following steps to ensure that the said dues are paid for without further delays:-

One, ensured that the majority of the 114 former employees of Abogeta Farmers Co-operative Society Limited are absorbed by the newly created co-operatives, and hence, have a steady income. Two, opened an account No.0161-204142/18 at the Co-operative Bank of Kenya Ltd in Meru Town to credit funds to pay staff arrears and terminal benefits. Three, negotiated and agreed with the Co-operative Bank of Kenya Ltd over the apportionment, re-classification and rescheduling of Kshs42,342,749.70 SCIP II Loan and Overdraft. Fourth, arranged for the processing, transportation, milling and selling of the coffee parchment to enable all the 10 newly created co-operative societies to continue serving their members and be able to meet their liquidation obligations.

Thank you.

Mr. Murungi: Mr. Speaker, Sir, I expected the full Minister to answer this Question. The answer that has been given by the Assistant Minister is full of sound and fury, but it signifies nothing.

Part (c) of my Question is: "What urgent steps is the Minister taking to ensure that the liquidator pays the said dues without further delay?" The answer given in items (i), (ii), (iii) and (iv) does not, really, answer this question. Could the Assistant Minister tell this House which of these four items constitute urgent steps being taken to repay the former employees of the Society, the amount owed to them, either in full or part of it?

Mr. J.D. Lotodo: Mr. Speaker, Sir, as I have said, the Society has opened an account. This shows its seriousness to pay its debts. The liquidator has made arrangements to pay a total of Kshs1.3 million, being salary arrears for the last four months, before liquidation of the Society was ordered - that is with effect from June, 1999 - through the following: Sale of lorry, registration number KAA 167; sale of Land-Rover, registration number KUQ 599; sale of plot number 695 at Kanyakine; and, sale of coffee by the newly-created 10 co-operative societies.

Mr. Wamae: Mr. Speaker, Sir, one of the ways by which the Assistant Minister said that he is going to pay the said workers is by transferring them to the new co-operative societies. Is he aware that even after transferring the said former workers to the new societies they still have to be paid their terminal benefits by Abogeta Farmers Co-operative Society Limited, because it is being wound up?

Mr. J.D. Lotodo: Mr. Speaker, Sir, we are aware of that fact. We decided that, instead of having those workers laid off, they should be absorbed into the 10 newly created co-operative societies, so that they can await payment of their arrears.

Mr. Speaker: Could you ask the last question, Mr. Murungi?

Mr. Murungi: Mr. Speaker, Sir, the Assistant Minister has said that they are going to sale a lorry, a Land-Rover and some buildings to pay some of this money. How far has arrangement for the sale of the said vehicles and the property gone? Have they started? When is it hoped that these workers are going to receive the first instalment of their arrears?

Mr. J.D. Lotodo: Mr. Speaker, Sir, the process will start soon. In addition, we intend to use 20 per cent of the coffee sale proceeds for repaying loans and bank overdrafts; 20 per cent, for repaying overheads, including preferential debts, staff arrears and terminal benefits; and, 60 per cent, for enhancing the payment of these debts, immediately.

ALLOCATION OF LIVESTOCK HOLDING GROUNDS

Mr. Osundwa: Mr. Speaker, Sir, I beg to ask the Minister for Lands and Settlement the following Question by Private Notice.

(a) In view of the fact that the Kenya Government has allocated money for the revival of the Kenya Meat Commission, could the Minister revoke the allocation to individuals of all livestock holding grounds in the country?

(b) Could he inform the House the total number of acres of land, including those at Athi River, that have been allocated to private developers?

The Assistant Minister for Lands and Settlement (Mr. Sudi): Mr. Speaker, Sir, I beg to reply.

(a) It is not possible to revoke the allocation of the said plots as they were legally processed, and the majority of the beneficiaries have title-deeds.

(b) It is difficult to come up with a complete estimate of the acreage of land allocated to individuals, given the short notice of this Question. However, 2,500 acres of land are still intact as livestock holding ground at Athi River, specifically for the operations of the Kenya Meat Commission (KMC).

Mr. Osundwa: Mr. Speaker, Sir, last year, His Excellency the President promised that the Government would allocate Kshs500 million for the revival of the KMC. When I looked through this Year's Financial Estimates, I did not see this money anywhere. This shows that the Government is only paying lip service to the revival of this vital industry. The Government has gone ahead and allocated more than 3,000 acres of livestock holding ground to individuals. In view of the importance of this Question to livestock farmers in this country, could the Assistant Minister institute legal proceedings to revoke the title-deeds issued for that land? We have seen title-deeds being revoked in this country.

Mr. Sudi: Mr. Speaker, Sir, I think the first question is supposed to have been directed to the Minister for Finance. However, 2,500 acres are available. As far as we are concerned, other allocations cannot be revoked. It is not possible to do so, because those allocations were legally processed and the majority of the beneficiaries have acquired title deeds for their plots. So, if anybody has complaints regarding the allocation of those plots, he may seek redress at the High Court. The High Court is the only authority that can revoke those title deeds.

Mr. Nooru: Mr. Speaker, Sir, this is a very serious matter. The Assistant Minister has said that there is no complainant regarding the allocation of that land. We are the complainants and stakeholders of the meat industry in this country. Could he tell this House the total acreage of Athi River Livestock Holding Ground before part of it was allocated to individuals? He has already told us the acreage of the remaining part of that holding ground. We are not, at this juncture, interested in other livestock holding grounds in the rural areas.

Mr. Sudi: Mr. Speaker, Sir, the total acreage of Athi River Livestock Holding Ground was over 3,000 acres. The portion of that holding ground that is now intact is 2,500 acres.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, is the Assistant Minister aware that, at the moment, a lot of livestock - including other animals - are being lost? In the whole region, from Lake Turkana to North-Eastern Province, down to Garsen and Malindi, millions of livestock and other animals are likely to die, unless the Government takes a very urgent measure and does something about the KMC. Could the Assistant Minister explain how the Government normally acquires land for the construction of roads and say whether the same principle could not be used to acquire the land that was acquired by individuals irregularly around the KMC, so that it can be used for holding animals for slaughter on urgent basis, to save the animals from quarantines and also help the pastoralist communities?

Mr. Sudi: Mr. Speaker, Sir, I am aware that there is a big problem as far as livestock is concerned throughout the country, but I am unaware that the allocation of the land was done by Ministry. However, the holding ground was under the former Ministry of Agriculture and Livestock Development, and if they disposed of their land at that time, we are now just doing the paperwork.

Mr. Muchiri: Mr. Speaker, Sir, is he in order to mislead this House when he knows that parcels of land for the Government are supposed to be sold in public auction unless His Excellency the President has authorised the allocation to individuals, and that was never done?

Mr. Sudi: Mr. Speaker, Sir, I am aware that all the parcels of land in Kenya belong to the Government, and the custodian is His Excellency the President. My Ministry, in terms of allocation, by application of the applicant, and in this case, the former Ministry of Agriculture and Livestock, gave out the land. This is because of the fact that the KMC was inoperational, and its parcels of land had to be disposed of due to public demand.

(Loud consultations)

Mr. Speaker: Order! Hon. Members, many hon. Members are very interested in this Question, and so let us give them audience, I was calling hon. Osundwa to ask his last question, but maybe, I will give other two hon. Members the chance to ask their questions.

Hon. Osundwa, do you want to ask your question now?

Mr. Osundwa: Mr. Speaker, Sir, I beg that you allow about three questions to be asked, and then I will ask mine.

An hon. Member: Including hon. Angwenyi!

Mr. Raila: Mr. Speaker, Sir, the Assistant Minister is giving a very sad answer; indeed to a very important Question, because he is telling us that even if the land had been irregularly acquired, the Government is powerless to

do anything. The Assistant Minister knows that the Government has a right to acquire land compulsorily for public use, which is what the Government does all the times when they want to construct roads and other infrastructure. So, would the Assistant Minister give an undertaking to this House that because the KMC is a very important institution to the economy of this country, the Government will use those powers to compulsorily acquire the land that was irregularly allocated to those people for the benefit of that project?

Mr. Sudi: Mr. Speaker, Sir, I totally agree that the Government is supreme and it has the powers to acquire land because the land belongs to the Government. However, there are 2,500 acres available right now, which comprise the livestock holding grounds, and when need arises for expansion, the Government will use its machinery to acquire more land.

Mr. Angwenyi: Mr. Speaker, Sir, I sympathise with the Assistant Minister. He comes from an area which is basically a livestock-keeping area. When anybody who thinks about Kenya sees our animals dying in the pastoral areas, including where you come from, I normally weep. There is an Assistant Minister telling us here that the 2,500 acres are adequate. Could he tell us the acreage of the entire holding grounds in Kenya for marketing of livestock?

Mr. Sudi: Mr. Speaker, Sir, I thank hon. Angwenyi for sympathising with me because I come from an area whereby livestock has been affected. However, according to the Question, there is that land which is available now and which is enough for the livestock, and let us wait for the KMC to be opened up. There are 2,500 acres, which is a large area and which is able to accommodate whatever kind of animals brought there waiting to be slaughtered.

Hon. Members: Give a chance to Dr. Ali who is a pastoralist!

(Laughter)

Dr. Wekesa: Mr. Speaker, Sir, I would like to inform the Assistant Minister that the reasons why those holding grounds were created in the colonial days was to contain infectious diseases, and if we are serious that we will start operations of the KMC, there is no way the KMC can operate properly without there being holding grounds all over the country. We used to have holding grounds in Homa Bay, Kitale and other places all over the country. The holding grounds have either been "grabbed" or given out to landless people. Unless the Government is prepared to acquire land, especially in my area, I can say for sure that the plans to open up the KMC will be a cropper. Could the Assistant Minister assure this country and this House that he will acquire all holding grounds all over the country?

Mr. Sudi: Mr. Speaker, Sir, while appreciating what the hon. Member has said; that the holding grounds were reserved in the colonial days for holding animals when there were infectious diseases, these days, regarding those holding grounds, it is easier to transport the animals using railway or by road to reach the slaughter houses without any problem. However, regarding the holding grounds which are in rural areas, we will investigate and make sure that they are put into the right use.

(Mr. Mokku and Dr. Ali stood in their places)

Mr. Speaker: Sorry! I will give a chance to one of you!

Mr. M.A. Galgallo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it Mr. M.A. Galgallo! That should be the last before I come to hon. Osundwa.

Mr. M.A. Galgallo: Mr. Speaker, Sir, is the Assistant Minister not misleading this House by saying that 2,500 acres are enough, yet based on the carrying capacity, it can hold only 175 animals at any given time? Is he not misleading the House?

Mr. Sudi: Mr. Speaker, Sir, I am not misleading the House because I am a cattle farmer and I know what one acre of land holds. The 2,500 acres is enough at the moment, but if there is need to expand, the Government will acquire land for livestock holdings as far as the KMC is concerned.

Mr. Speaker: I think that is enough. Mr. Osundwa, the very last Question!

Mr. Osundwa: Mr. Speaker, Sir, I ask this Question in my capacity as the Chairman of the Agricultural Committee in this House interested in reviving the livestock industry. I had the benefit of touring Botswana early this year and the economy of that country is propelled by livestock. I do not know why this Government is not taking this industry seriously. In the answer to part "b" of the Question, I asked the Minister to tell us the total acreage of livestock holding grounds throughout the country because my Committee is interested in instituting legal proceedings to recover these holding rounds so that we can revamp this industry. Could he undertake to furnish this House with the total acreage because he is complaining we did not give him sufficient time?

Mr. Sudi: Mr. Speaker, Sir, I will undertake to give the complete estimate of the acreage which has been allocated. We could not do that at this time because of the short time given.

MEASURES TO PROTECT SOVEREIGNTY OF KENYA

(Prof. Anyang'-Nyong'o) to ask the Attorney-General:-

Could the Attorney-General explain what steps the Government is taking to protect the sovereignty of the Republic of Kenya in a case filed at the International Centre for Settlement of Investments Disputes in Washington, regarding the World Duty Free Complex and its claim for restitution for a purported breach of contract by the Kenya Government?

Mr. Speaker: Prof. Anyang'-Nyong'o's Question is deferred to tomorrow, by request.

(Question deferred)

Next Order! There were some Ministers who wanted to give Ministerial Statements. Let us begin with Mr. Ngala.

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

Mr. Speaker: I have already given the Floor to Mr. Ngala.

MINISTERIAL STATEMENT

SUSPENSION OF MUMIAS F.C. FROM KFF TOURNAMENTS

The Minister for Home Affairs, Heritage and Sports (Mr. Ngala): Mr. Speaker, Sir, I would like to make a Ministerial Statement on Mumias Sugar Football Club. Hon. Osundwa has insisted that I should give this statement although it has been overtaken by events.

The differences between the Kenya Football Federation (KFF) and Mumias Sugar Football Club started on 24th November, 1999, when the KFF, without giving satisfactory reasons, rescheduled a league match between Mumias Sugar FC and Kisumu All Stars despite the fact that both teams and match officials honoured the fixture. This went against the KFF constitutional rule No.3.6. This being the closing stages of the Premier League, both Tusker FC and Mumias Sugar FC stood a mathematical chance of clinching the championship on account of goals aggregate. The Kisumu All Stars versus Mumias Sugar FC match was rescheduled for Mumias Sugar grounds on 28th November, 1999, at which Mumias Sugar FC resoundingly beat their opponents 10-0.

The results raised eyebrows, with allegations that Kisumu All Stars players and officials had been compromised in order to concede such a heavy defeat to enable Mumias Sugar FC to be crowned the 1999 KFF Premier League champions and walk away with Kshs1 million prize money for the league winner. The KFF instituted a probe committee to investigate allegations of bribery on the part of the two teams and the officials. Mumias Sugar FC was adjudged guilty of match fixing, a decision which was subsequently upheld by both the National League and Competitions Committee (NLCC) and the Independent Discipline and Appeals Committee (IDAC). The Mumias Sugar FC was given a chance to defend themselves before all these committees.

Mumias Sugar FC appealed to the Kenya National Sports Council (KNSC) but before a decision could be taken, the team took the matter to court. This effectively tied the hands of the KNSC who could not handle an issue which was before the court. The KNSC advised the team to consider withdrawing the case before it could deliver its verdict. Meanwhile, Mumias Sugar FC suffered the following disciplinary measures:

- (1) They were stripped of the league title and the Moi Golden Cup title.
- (2) They were suspended from all KFF sanctioned tournaments.
- (3) They were denied the Kshs1 million cash prize.

(4) Some of their players who allegedly took part in the bribery saga were banned from playing in KFF or international football clubs.

(5) They were barred from representing Kenya in the African Cup of Championships Clubs and the East and Central African Club Champions Tournament held in Rwanda in June 2000.

Consequently, Tusker FC who were the league runners-up were:

- (1) Declared the 1999 KFF Premier League champions.
- (2) Awarded Kshs1 million cash prize.
- (3) Represented the country in the Africa Cup of Champions and East and Central Africa Club of Champions

tournament.

Shabana FC was nominated to represent the country in the Cup Winners Cup after they were elevated from third to second position. Despite the case pending before the court the KFF and the KNSC unilaterally reinstated Mumias FC to the Premier League. Nothing was said about the loss of their league title nor the Kshs1 million cash prize. Mumias Sugar FC happily accepted the KFF decision and entered the 2000 Premier League. Mumias should be contented with their reinstatement to the Premier League.

The Kshs1 million cannot be refunded just as the title cannot be withdrawn. Tusker FC has represented the country in the Africa Cup of Championships and the East Africa Club Champions. They were eliminated in the first round of the first tournament, but won the East and Central African Club Champions, beating APR of Rwanda 3-1 in Rwanda. Shabana FC was also eliminated in the first round of the continental championships.

Mr. Osundwa: I want to thank the Minister for that comprehensive Ministerial Statement. However, it would appear that the only crime Mumias FC did was to score 10 goals to nil against a very weak team, which had previously been beaten 7-0 by Gor Mahia and 5-1 by Tusker FC. However, Mumias Sugar FC went to court and they won the case, which means they were the league leaders of last years.

Mr. Speaker, Sir, I would like the Minister to tell this House when Mumias Sugar FC will receive their Kshs1 million reward from the sponsors of the league.

The Minister for Home Affairs, Heritage and Sports (Mr. Ngala): Mr. Speaker, Sir, I thought I said, before the case was to be taken to court, there was a unilateral decision to curtail the court case. Therefore, the court case was immaterial because a decision was made that Mumias Sugar FC should join the league in 2000. I think it is impossible to do anything at this particular juncture. The payment cannot be made to them because the money has already been paid to Tusker FC.

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

Mr. Speaker: Is it on what he is saying?

Mr. Twaha: I thought he had finished.

Mr. Speaker: Is it arising out of this issue?

Mr. Twaha: No, he has finished.

Mr. Speaker: No, let me take that Ministerial Statement again.

(Mr. Wamae stood up in his place)

Mr. Wamae, I think your problem is being catered for by him.

POINTS OF ORDER

RE-OPENING OF CHEPKOILEL CAMPUS

Mr. Wamae: Mr. Speaker, Sir, I had asked the Minister for Education, Science and Technology to give a Ministerial Statement as to when the Chepkoilel Campus of the Moi University will be opened. It has been closed for two months. The students and parents are very worried. Maybe, it has been closed for so long because the wife of hon. Biwott is the principal and, therefore, does not care about the students. When will this campus be opened so that the students can continue with their education?

TABLING OF THE KOECH REPORT

The second point was that we wanted the Minister of Education, Science and Technology to lay on the Table enough copies for all hon. Members of the Koech Report on Education. We do not know what has happened because only 20 copies were brought to this House. Can the Minister tell us when these two issues will be looked into?

MINISTERIAL STATEMENT

CLOSURE OF CHEPKOILEL CAMPUS

The Assistant Minister for Education (Dr. Wamukoya): Mr. Speaker, Sir, I am going to read a statement on the first point. On the second point, I think the Minister himself laid those books on the Table here, and promised to bring some more. I do not have a statement on that.

Mr. Speaker, Sir, my statement has nothing to do with a wife of a prominent politician here! But it reads as follows:-

The Chepkoilel Campus, which is a College of Moi University, was closed on the afternoon of Friday, 17th March, 2000, by the Senate, following two days of student activities which were against the rules and regulations governing the discipline of students at the University.

1. The students engaged in the following activities which violated the said rules:-
 - (a) Inciting and issuing threats verbally and in writing to other students, communities and members of staff on the campus. There was threat of this degenerating into an ethnic conflict.
 - (b) Planning, hindering and disrupting the work of the Senate Disciplinary Committee.
 - (c) Attempting to coerce and influence the decision of the Disciplinary Committee.
 - (d) Stoning the Board Room where the Students' Disciplinary Committee was taking place, thus endangering lives of the Members.
 - (e) Disrupting and boycotting the scheduled lectures, teaching and learning activities in the campus.
 - (f) Destroying university property.
 - (g) Extorting money and inconveniencing motorists and other road users on the Ziwa-Kitale Road.
 - (h) Destroying private properties such as stoning cars on the Ziwa-Kitale Road.
 - (i) Engaging in running battles with the police who had been called to quell the disturbances.

2. After the closure, the Chepkoilel Campus Management and Academic Board investigated the circumstances leading to the riots and noted the following:-

(a) The dissolution of the Students' Governing Council of Chepkoilel Campus in early March, 2000, and subsequent electioneering by students intending to vie for posts within Moi University Students' Governing Council contributed to the campus tension. The Governing Council is dissolved annually at the expiry of its term.

(b) The two Boards also found out that the students who were to appear before the Disciplinary Committee incited their colleagues to disrupt the hearing of their cases. The candidates vying for various posts saw this as an electioneering strategy. They formed a Students Disruption Committee for the purpose of disrupting the Disciplinary Committee.

(c) Second-year students participated actively in the disturbances. They also influenced and mobilised first-year students who joined them.

(d) Third and fourth-year students did not participate in the disturbances.

3. These findings were forwarded to the Senate after the closure. The Senate subsequently formed the following Committees:-

(a) Damage Assessment Committee.

(b) Student Disruption Identification Committee.

The Senate identified the following participants and organisers:-

1. The students who were scheduled to appear before the Disciplinary Committee, with Mr. S.E. Ekasiba and Mr. F. Ragaro playing major roles.

2. Members of the Students' Disruption Committee, which was formed by the student agitators to disrupt the on-going Student Disciplinary Committee.

3. The second-year class, who had successfully mobilised the first year students.

4. The Senate decided as follows:-

(a) The fourth year students at Chepkoilel Campus, who did not participate in the riots report back on 27th March, 2000.

(b) Third-year students who were not involved in the rioting, report back on 10th April, 2000.

(c) The 12 students who were to appear before the Student Disciplinary Committee, members of the Students' Disruption Committee and other students who participated in the 17th March, 2000 riots, be summoned to appear to answer charges against them. They should be accompanied by one of their parents or guardians.

(d) Fines or damages be paid proportionally, according to the degree of participation.

(e) The first and second-year students be excluded from the University for one academic year, with effect from 17th March, 2000, in accordance with the University Statute 19 Section 5 (g), (h) and (i), and as per Section 14 (2)(e) of the Moi University Act, Cap 210 (a).

Mr. Speaker, Sir, noting that the students' riots and disturbances cost untold damages to property, disrupted academic programme and gave a bad image to the University, and could destroy investor-confidence, the Ministry of Education, Science and Technology supports the firm action taken by the University, as we cannot condone indiscipline among students.

Thank you.

Mr. Wamae: Mr. Speaker, Sir, I am happy with the answer. We do not want too many students not

reporting back to the campus for too long.

Those who participated in the riots must be punished, but could the Assistant Minister assure this House that the students will resume their studies as soon as possible?

The Assistant Minister for Education (Dr. Wamukoya): Mr. Speaker, Sir, I have said that fourth and third-year students have reported. The first and second-year students can appeal according to the Moi University Statute 19 Section 5 (i).

Secondly, I want to say this: In a professional course where, at the end of an academic year, the exams done are important for purposes of proceeding to the following year, once the students lose five weeks, it is very difficult for them to come back and proceed with the academic year. They cannot do the assessment examinations to make them proceed to the following year. That is the bind in which Moi University is in now! But they can appeal.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. Could the Assistant Minister tell us what the rules stipulate? How does he want the students to apply? All of them are not aware of the university rules.

The Assistant Minister for Education (Dr. Wamukoya): Mr. Speaker, Sir, the Section that I have alluded to, that is Statute 19 Section 5 (g), reads as follows:-

"Without prejudice to the rights of the students specified in subsection (b), (c), (e) and (f) above, the Vice-Chancellor may suspend any student from any class or classes, and exclude any student from the whole or any part of the University or its precincts, for such a period as he may think fit, and shall report such a suspension or exclusion to the Special Meeting of the Disciplinary Committee, to be convened within 14 days of the date of such a suspension or exclusion."

Subsection (h) reads:-

"The decision of the Disciplinary Committee shall be communicated to the Vice-Chancellor."

Subsection (i) reads:-

"Subject to the rights of the students specified in the foregoing subsection of this section, the Disciplinary Committee may amend, ratify or revoke the suspension or exclusion of the student, and where a student who has been suspended or excluded is considered to have been guilty of grave misconduct, the Committee may recommend to the Senate, through the Vice-Chancellor, the expulsion of the student from the University."

Mr. Speaker: Order! That is enough, Dr. Wamukoya!

Next Order!

BILL

First Reading

THE PUBLIC SERVICE (CODE OF CONDUCT AND ETHICS) BILL

(Order for First Reading read -

Read the First Time -

Ordered to be read the Second Time tomorrow)

Mr. Speaker: I think that is an important Bill. I do not know whether the Minister in charge or Members of the relevant Committee are present.

The Minister of State, Office of the President (Maj. Madoka): Mr. Speaker, Sir, on behalf of the Attorney-General, I wish to move that this Bill be referred to the Departmental Committee in charge of Administration of Justice and Legal Affairs.

Mr. Speaker: So, it will be referred to the Departmental Committee of Administration of Justice and Legal Affairs.

POINT OF ORDER

MOTION TO INCREASE TOTAL INDEBTEDNESS PROPERLY BEFORE THE HOUSE

Mr. Muite: Mr. Speaker, Sir, I stand on a point of order to seek your guidance as to whether it will be proper for this House to permit the Minister to move a Motion which clearly contravenes an Act of this House. In Section 6 of the External Loans and Credit Act, which was passed by this Parliament, the marginal note provides for the limit of

total indebtedness. It reads:

"The total indebtedness for the time being outstanding in respect of the principal amount of money borrowed or credit obtained shall not exceed the equivalent of the sum of £650 million---"

That is the figure which is fixed by an Act of Parliament. That figure translates to Kshs13 billion, if my arithmetic is accurate. The section goes on to say:

"--- or such higher sum as the National Assembly may by resolution approve."

Again, you will notice that it does not talk about such higher sums as the National Assembly may from time to time--- The words "From time to time" are not in this section. Clearly, the natural interpretation of this section is, first of all, the higher sum. The ceiling is fixed at £650 million or such higher sum as the National Assembly may fix. In other words, if the National Assembly is satisfied that there is need for a sum higher than Kshs13 billion, we can pass a resolution and fix the higher ceiling once, only from Kshs13 billion or £650 million to a higher figure. That is the natural correct interpretation of this section. This section is not giving the National Assembly power to fix higher sums from time to time. If we are satisfied that Kshs13 billion is not an appropriate figure, we can pass a resolution and fix a ceiling higher than the £650 million. In any case, when you look at the way the Motion is drafted, it is asking this House to step up the figure from Kshs320 billion to Kshs500 billion. The Kshs320 billion is not in the Act of Parliament. This is an illegal figure. This cannot be done. In any case, when did this House pass a resolution to raise the figure from Kshs13 billion to Kshs320 billion or another figure?

An hon. Member: That one will need an amendment!

Mr. Muite: Mr. Speaker, Sir, what I am saying is that, if this is the sort of thing that the Minister seeks to do, he needs to amend Section 6. We need to amend the law. We cannot do it through a resolution of this House. So, this Motion violates the law and it should be withdrawn. If he wants, he should, in fact, bring a Sessional Paper, so that he can explain to us why these figures should go up. He should not do it casually, by asking us merely to step it from Kshs320 million to Kshs500 million. In any case, Kshs320, as I said is not a figure one finds in the law; it is illegal and you should remind us when we passes a resolution to step up the figures from Kshs13 billion to these other figures.

(Applause)

Mr. Speaker: Mr. Minister, do you want to do it on my behalf, or you want to give an explanation?

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, I just want to give the facts in one sentence. In July, 1993, pursuant to Section 6(1) of the External Loans and Credit Act, Cap. 422, which the hon. Member is referring to, this House approved the increase of total external indebtedness from Kshs140 billion to Kshs320 billion.

(Applause)

Mr. Speaker: Order! The unfortunate bit about being Mr. Speaker is that you are never given the pleadings like they do in courts so that you can prepare. So, the hon. Member, who is my very learned colleague, ambushed the Chair. Therefore, I have to make do with my basic instinct and understanding of the law as best as I can. One thing I do not do is to run away from a problem. I face it head on.

I have looked at Section 6 of the External Loans and Credit Act enacted by this House in 1979. So, this section set a limit of the credit as at 1979 when the law was enacted. This House, being realistic that a certain indebtedness cannot be valid all the time gave a window to this House and the Minister to come to the House to seek enhancement of that limit of indebtedness through a Motion seeking a resolution of this House. If you look at the plain wording of Section 6, it says:

"The total indebtedness for the time being outstanding in respect of the principal amounts of money borrowed or credit obtained shall not exceed the equivalent of the sum of £650 million, calculated at the rate of exchange prevailing for the time being or such higher sum as the National Assembly may by resolution approve."

When I look at the Motion before the House, I find that it is seeking to increase a sum of Kshs320 billion to Kshs500 billion. So, in both ways, the amount being raised is a sum; the amount it is going to is a sum and in my understanding, the Minister is perfectly within the plain meaning of Section 6. So, I rule that the Motion is properly before the House. Well, the Motion is properly approved by Mr. Speaker.

Now, the other issue that the hon. Member raised, as to having a Sessional Paper, I think under the law, it may have been advisable for the Member to put a Paper to the House so that hon. Members can understand in detail. But that is not the law.

The law requires a resolution and this is in compliance with the law. I, therefore, rule that the Motion standing to the name of the Minister for Finance is legally before the House.

(Applause)

Mr. Michuki: On a point of order, Mr. Speaker, Sir. You have ruled on the law so that the Minister can then deal with the issues as a whole. My standing up here relates to the second part of what has been raised by my colleague, which is that the request as now stipulated ought to have been covered by a Sessional Paper. The reason for this is that any departure from policy must be explained to the country. This has been the practice. It may not be the law, but it has been the practice that where there is a departure in policy, it is explained through a Sessional Paper. To even move from US\$4.1 billion to US\$6.5 billion---

Mr. Speaker: Mr. Michuki, you are now getting into the merits of the Motion.

Mr. Michuki: Mr. Speaker, Sir, I am not getting into the merits.

Mr. Speaker: Order, Mr. Michuki! When you begin talking about the merits of the matter that has not been proposed, you are out of order. I have ruled on the law as far as I understand it. You are giving gratuitous advice to the Minister. I will give an undertaking to you that I will recognise you at the earliest opportunity, to enable you put all those valid points, if they are valid, across. But we cannot go into the merits on a point of order.

Mr. Michuki: But I only had one more point to make, Mr. Speaker, Sir.

Mr. Speaker: Sorry! I will recognise you, I promise. I will give you an opportunity.

Mr. Orengo: On a point of order, Mr. Speaker, Sir. I just want your guidance in terms of your ruling. You read out that section word by word, but my problem is that there is a ceiling in the Act, which, even in 20 years' time, unless the Act is amended, will continue to be there. Does it not offend common sense that an Act is talking about a ceiling which is of no consequence? The Minister explained that Parliament has raised this ceiling from Kshs149 billion to Kshs320 billion, and now we are raising it from Kshs320 billion to Kshs500 billion. So, on the face of it, this statute does not serve any purpose until an amendment is brought before this House. I am just seeking your guidance because once the law, on the face of it, is an ass, something needs to be done about it. Despite your ruling, which I do not want to go against because I think it is a considered ruling, I would plead with you that for us to go through this process of trying to do what on the face of the statute is not correct, the Minister should come out with an amendment as quickly as possible. Irrespective of whether the law was made in 1979, that ceiling is still there.

Mr. Speaker: Mr. Orengo, as you know, the Chair never initiates legislation or amendments to Acts. I see good sense in the Attorney-General or the Minister for Finance, from time to time, revisiting the Act to bring it to reality. But the law, as it stands now, gives that very ridiculously low limit, but provides authority to increase the limit by resolution. That is how it is.

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

Mr. Speaker: Order! Dr. Kulundu, we have to proceed.

Mr. Donde: On a point of order, Mr. Speaker, Sir. The total indebtedness of the country, at the moment, externally is Kshs348 billion and not Kshs320 billion as shown in the Motion. So, I would like that to be clarified.

Mr. Speaker: Mr. Donde, I honestly do not know that. Proceed, Mr. Minister!

MOTION

APPROVAL OF INCREASE IN TOTAL INDEBTEDNESS

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

THAT, pursuant to Section 6(1) of the External Loans and Credit Act (Chapter 422 of the Laws of Kenya), this House approves the increase of total indebtedness for the time being outstanding in respect of principal amount of money borrowed or credit obtained under Section 2 of the Act from US\$4.1 billion (Kshs320 billion) to US\$6.5 billion (Kshs500 billion).

Mr. Speaker, Sir, as I have already mentioned, in July, 1993, pursuant to Section 6(1) of the External Loans and Credit Act (Cap.422 of the Laws of Kenya), this House approved the increase of total external indebtedness from Kshs140 billion to Kshs320 billion. At the time of setting the ceiling, the Government's external debt stood at Kshs264 billion at the rate of Kshs64.20 to the US Dollar which was prevailing at the time. Since that time, repayments have been effected and new loans have been contracted and as at now, the debt stands at Kshs348.6 billion. This debt is, therefore, about 8 per cent above the ceiling, but this is mainly because of the depreciation of the Kenya shilling against world major currencies in which our debts are denominated. For instance, the exchange rate of the Kenya Shilling to the US Dollar has moved from the Kshs64.20 then, to around Kshs77, and now Kshs74 to the Dollar. In view of the above position, it is, therefore, necessary to regularise the position by raising the ceiling to conform with the law.

We also need to increase the ceiling to accommodate new programme and project loans which we intend to borrow over the next three years. That is the three-year Medium-Term Expenditure Framework (MTEF) period. As part of the efforts to jump-start the economy over this period and begin to fight poverty, we have, through our Fiscal Strategy Paper, identified activities, programmes and projects that will need to be undertaken and funded. For this, we will need to borrow externally about Kshs100 billion over the three-year period.

The Government policy on external borrowing has been to borrow as much as possible on concessional terms. I would like to report that this policy has been maintained. Over 90 per of our external loans are on concessional terms. The new loans to be borrowed over the next three years will also be on concessional terms. The quantum and the terms will be reported to this House, as and when they are committed as per the requirements of the External Loans and Credit Act.

Mr. Speaker, Sir, in reviewing the ceiling, we also need to consider the fact that our external debts are denominated in all the major world currencies, but mostly in US Dollars and the Japanese Yen. Exchange rates between these currencies and the shilling fluctuate all the time, mostly upwards. To avoid the need to review the ceiling every now and then only on account of exchange rates alone, we propose that the ceiling be set in a dominant currency, for example, the US Dollar. To this end, I beg to move that, pursuant to Section 6(1) of the External Loans and Credit Act, Cap.422 of the Laws of Kenya, the ceiling of total indebtedness in respect of principal amount of money borrowed or credit obtained under Section 2 of the Act be raised from US\$4.1 billion to US\$6.5 billion, and be set in US Dollars at US\$6.5 billion broken down as follows. The current ceiling, K£4.1 billion; increase to regularise provision, K£400 million; increase to cater for new loans, K£1,333,000,000; increase to cater for possible cross-currency fluctuations, Kshs667 billion, bringing the figure to---

Mr. Michuki: Mr. Speaker, Sir!

Mr. Speaker: Order, Mr. Michuki. Mr. Michuki, if you want to catch the eye of the Speaker when a Member is on the Floor, please, rise on a point of order. Do not stand there and say: "Mr. Speaker."

Mr. Michuki: I stood!

Mr. Speaker: You stood and said "Mr. Speaker." You say: "On a point of order."

Mr. Michuki: Yes, on a point of order, Mr. Speaker, Sir.

Mr. Speaker: Very well!

Mr. Michuki: Mr. Speaker, Sir, my point of order is this: We have heard the law read by you, which was a quotation brought to your attention by Members of Parliament here. The Minister is now breaking the law itself by setting the ceiling in Kenya pounds. The Minister is now trying to persuade us to set the ceiling in dollars. Is that in order, because he is now going against the law, and that even if you try to help him, he cannot be helped?

Mr. Speaker: By the way, I do not help anybody. I help the House. May I just get the understanding from the Minister. What is our legal currency?

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, our legal currency is the Kenya Shilling.

Mr. Speaker: And, therefore, my understanding of the law is that you spend Kenya shillings. Is that right?

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, we borrow in other currencies other than Kenya shillings. The emphasis here is on borrowing.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. Slowly and successfully, we are making the Minister see that there is something grievous he is doing. The law gives ceilings denominated in Kenyan currency. Is it in order, therefore, that the Minister is moving a Motion seeking provisions in a foreign currency? What you needed is that your Motion should be in Kenyan Pounds or Shillings, with dollar equivalents in brackets and not the other way round.

The Vice-President (Prof. Saitoti): On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Yes, what is it?

The Vice-President (Prof. Saitoti): It is basically information. I think we are really over working---

Dr. Kituyi: But he said a point of information!

Mr. Speaker: Order! Members must make up their minds. What is it?

The Vice-President (Prof. Saitoti): Mr. Speaker, Sir, I am on a point of order but I think this point of order is to basically set out the following: If you look at the body of the Motion, the dollar is given but the shilling is in brackets. So, at the time now of the House being asked to agree to the new ceiling, this ceiling is being set in Kenya Shillings whose equivalent is the dollar which is shown. I believe the reason of showing the dollar---

Hon. Members: It should be the other way round!

The Vice-President (Prof. Saitoti): No! Not the other way round. Not at all. The exchange rate is here.

Hon. Members: What do you want to do?

Mr. Speaker: Order! Order, all of you! I think I will let the Minister move the Motion. He has already since heard what I have to say. He may, in the course, of this debate have to change the dollars to be into brackets and the

Kenya Shillings to be out of brackets, so that we recognise our currency. This is because our means of exchange is the Kenya Shilling or the Kenya Pound. So, everything else must be subordinate to it.

(Applause)

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, I have absolutely no problem with brackets and I am extremely familiar with the use of brackets. So, I will have no problem with changing brackets and putting some numbers in brackets and others outside.

Mr. Kirwa: On a point of order, Mr. Speaker, Sir. I do realise that, of late, Members have forgotten that when Mr. Speaker is on his feet, they are supposed to be seated until Mr. Speaker is back on his seat. I was just reminding the Chair that the Minister and the hon. Prof. Saitoti have the habit of standing when you are on your feet.

(Laughter)

Mr. Speaker: Order! They should not only sit when I am on my feet---

Mr. Orengo: What are you doing?

Mr. Speaker: But also Mr. Orengo should keep quiet absolutely. So, proceed!

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, as I was continuing to contribute, the Government policy on external borrowing, as I said, has been to borrow as much as possible on concessionary terms and our current policy is to continue to borrow on concessionary terms. The quantum and the terms will be reported to this House as and when these amounts are committed as per the requirements of the law.

Mr. Speaker, Sir, I had just finished reading out the various categories of the ceilings and the intended increases.

Mr. Speaker, Sir, I, therefore, wish to move.

The Vice-President (Prof. Saitoti): Mr. Speaker, Sir, I am very happy to second this Motion and the main reason I want to do so is to speak for a very little time. I am amazed that the hon. Members on the other side are expressing a great deal of anxiety about this Motion. To the best of my knowledge, this type of Motion has been brought by virtually everyone who has been the Minister for Finance, and the precedent is there.

Mr. Speaker, Sir, the second thing that I want to say here is that the Kenya Government, over a number of years, has always borrowed what we call money on concessionary basis. That is low interest rates on long-term. This is why the bulk of Kenya's investments is among the multi-lateral bodies, multi-lateral bodies being the World Bank and the IMF, the African Development Bank, the European Investment Bank, and also from the bilateral bodies. Very little of Kenya's investment is what is called commercial borrowing. I am glad if there will be anybody that will contradict that point.

Mr. Speaker, Sir, the third thing that I also want to make very clear is that, indeed, the ceiling that Parliament is being asked to approve does not in any way turn Kenya into one of the most indebted countries. Yes, we do have a big debt, but by the international rating, and I want anybody to contradict me, Kenya does not become one of the most indebted countries.

Mr. Speaker, Sir, the fourth thing that I want to say, which is important, is that, indeed, there have been various schemes formulated internationally for the purpose of debt relief. One, which is already in vogue, has got to do with the highly-indebted poorest countries. This has been targeted at those poorest countries who are heavily indebted, but also who are at the same time implementing structural reforms approved by the Bretton Woods institutions. I know that, in the past, there has been some kind of questioning as to how come Kenya is not one of them. I want to say this; that by the international rating, Kenya is not one of the poorest countries. It is not.

Mr. Speaker, Sir, it is not a question of evidence, this is a fact. I cannot stand here and say something I do not know. I know a lot about international literature on this matter. We are not one of those called "highest indebted and poorest countries." However, I also want to say this: Indeed, I thank the Minister for Finance, and he is to be commended, for the great deal he has done since he assumed office and, at the same time, I also want to commend His Excellency the President whose efforts have brought us to a position where, towards the end of this week, hopefully, the IMF in its Board meetings, is likely to approve Kenya's programmes. With that, therefore, there is going to be a flow of other concessionary loans from the World Bank.

Dr. Kituyi: On a point of information, Mr. Speaker, Sir.

The Vice-President (Prof. Saitoti): I do not want your information!

Mr. Speaker, Sir, if that happens, and we believe it is going to happen through the efforts of His Excellency the President and the Minister for Finance, clearly, it is going to be necessary for our economy and the Government to absorb the new concessionary funding. Now, the current ceiling will not enable us to be able to absorb the resources available.

Mr. Speaker, Sir, the hon. Minister has brought up this one in anticipation that we may be lucky enough to get the resources from the Bretton Wood Institutions. It will not just be the Bretton Wood Institutions; there is a substantial

amount of money held up by other multilateral institutions, like the European Union, European Investment Bank, African Development Bank and the Japanese International Bank. All these institutions will bring in major resources.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. Is the hon. Prof. George Saitoti in **[Dr. Kituyi]** order to tell this House that we can thank President Moi for resumption of aid which was discontinued because of bad governance by President Moi? How do we thank him again for that?

Mr. Speaker: Order!

The Vice-President (Prof. Saitoti): Mr. Speaker, Sir, I do not think that I need to answer issues which are diversionary and are brought about by an hon. Member who is ill-informed about financial matters.

I want to say that, once negotiations go through in the World Bank and IMF Board meeting, they will trigger substantial resources from bilateral sources and from other multilateral sources. For all these resources to be absorbed, clearly, a new ceiling is going to be set. But I think the most important thing here is that when these resources come, they are all going to come as concessionary resources; targeted on infrastructure. Hon. Members here have been complaining all the time that the roads are in bad shape. They have been complaining about the power problem, hospitals and all sorts of things. These resources are going to be released for development and they are going to lead to very major economic growth rates.

Mr. Speaker, Sir, those hon. Members on the Opposite side who have been complaining all the time should be the happiest. Except for a few hon. Members on that side, you will be ashamed for your efforts to try to deny Kenyans the opportunity to get the resources. You will be a shame to yourselves for wanting Kenyans to continue suffering.

The hon. Members who go around parading in the international media saying that Kenya should not be assisted and should not get aid are the very enemies of Kenyans! I want to state in no uncertain terms that if you believe that you are going to win the next election by impoverishing Kenyans through denial of resources, you are wrong! You are going to be very wrong on this score.

Mr. Speaker, Sir, let me say that, indeed, we do need these resources and we need to pass this Motion because the resources from the IMF and the World Bank are going towards poverty reduction, and Kenyans need them. If a few hon. Members do not need it, it is too bad for them. If you think that by denying Kenyans those resources you are going to win votes, I want to tell you that you are going to lose miserably. You lost in 1992 and 1997; you are still going to lose in the year 2002.

Mr. Speaker, Sir, I beg to second.

(Several hon. Members stood up in their places)

Mr. Speaker: Order! Order! I can understand the anxiety from this side. So, hold your horses until I propose the Question.

(Question proposed)

Mr. Keriri, the Floor is yours! For record purposes, Mr. Keriri is the Official Responder

Mr. Keriri: Thank you, Mr. Speaker, Sir, for giving me this opportunity to respond.

This matter is so important. I agree with the Minister that he needs the money. Raising the borrowing limit to this magnitude and wanting this money is such an important matter, but to bring it in a Motion of this nature, I am afraid, amounts to belittling this House and denying Kenyans the chance to know what the Minister is doing. I agree that either the Minister for Finance or the Vice-President has said that the previous Ministers of Finance have had this type of Motions go through this House on several occasions, but that does not, in fact, justify the Minister, hon. Okemo, to do this because as everyone has said, hon. Okemo has done very well since he took over as Minister for Finance. He cannot afford to follow the footsteps of those who made mistakes, because others must have made a mistake if they did not bring Sessional Papers to this House.

A matter of this nature, as said earlier by an hon. Member, should be brought by way of a Sessional Paper which explains what hon. Okemo has tried to explain and does more than merely explaining; in fact, it should be able to breakdown the figures as presented to show Kenyans and this Parliament how much has been borrowed in the past and for what purpose, and from who it has been borrowed. As I said, it is a mistake to do it this way. I think the Minister should be able to do better than his predecessors. It does not matter who they were! If the Vice-President did this when he was the Minister for Finance, he made a mess of it and that is why there was a lot of corruption. There was a lot of misuse of public funds during his tenure of office as the Minister for Finance and he has stood here to tell us how useful this money is. Does the Vice-President realise that, that same money was very useful when he was misusing it and allowing people all over this country; those who were in good books with the powers that were, to misappropriate public funds? That is very serious. So, I am speaking on this Motion with a very heavy heart. If this

Motion is passed as it is, it will be very unfortunate for this country. It should be withdrawn, so that the Minister can bring a Sessional Paper to this House to explain how that money was spent, and how the additional sum will be spent. Secondly, the Motion as drafted is incorrect. That has been pointed out by colleagues who are lawyers by profession, that you cannot substitute Kenyan currency with a foreign currency. The law is very clear on that. I hope, as we continue to debate this Motion, the Minister will amend it to make sure that it is the foreign currency which will be in brackets and not Kenya Shillings.

Mr. Speaker, Sir, we have been told that we need money and that this side of the House is opposing the Government getting that money. We, on the Opposition side, are not opposed to Kenya getting loans and grants *per se*. But what we saying is that loans in the past have not been spent properly. This Government has misused money paid by Kenyans as taxes. In the past, they have misappropriated loans given to this country by donors. How can we then trust the same people to get massive amounts of loans and use it the same way? For example, Mr. Okemo, if there are two of you in your family, and your father is working in Mombasa where he earns good money and he supports both of you to grow coffee; but he entrusts the money to your brother who is not as good as you, and he does not spend that money to buy fertilisers and sprays among other things, and this trend continues every year; I am sure hon. Okemo, you will not be happy about that. You will tell your father not to send money to your brother because he does not spend it on growing coffee. Therefore, you will tell him either to send it to you, or he should come and take care of that farm. So, what we are saying is that you either improve your performance so that you can be allowed to handle that money, or we will ask the World Bank, IMF and other development partners to come and supervise you, as a Government. I am sure you are already being supervised by someone somewhere. I think we want them to come and supervise this Government. We want the money, but we want it spent properly. We are not opposing Kenya getting money *per se*, but we are only worried of the people who will handle it in this Government. That is the point we are talking about.

Mr. Speaker, Sir, I heard the same Vice-President who caused the looting of this country for so long saying that Kenya is not one of the most indebted countries in the world. In the past, we have been saying that Kenya is the best in this region. Do we have to be one of the most indebted countries to be worse than we are? We are among the worst in this region and in the whole of Africa. Our economy is growing at a paltry rate of 1.4 per cent, while our neighbours are developing at 5 and 6 per cent. Why?

The Vice-President (Prof. Saitoti): On a point of order, Mr. Speaker, Sir. Did I hear the hon. Member make an allegation that I have been on a looting spree of this country for a long time?

Mr. Keriri: Mr. Speaker, Sir, I do not have to answer the Vice-President because I did not say that he has been on a looting spree. I said he supervised the looting as the Minister for Finance. He may not have looted himself. I have a lot of respect for him as the Vice-President, but as a Minister for Finance---

Mr. Speaker: Order! Mr. Keriri, can we now leave debating the Vice-President?

Mr. Keriri: Let it be, Mr. Speaker, Sir, but he should be the last one to raise that point.

(Applause)

Before I was interrupted by my friend, the Vice-President, I was saying that we do not have to be one of the most indebted countries so that we can be blamed. We have made enough mistakes and we want to avoid them. I do not want to take too much time on this Motion but, as I said, we need some breakdown on how the Minister intends to spend this money. We need to know how much of the ceilings we have so far spent and how it has been spent? Has it been spent in a manner that hon. Okemo would have wanted it spent? I think hon. Okemo should continue being as careful as he is, and make sure that the mistakes committed in the past are not repeated.

Mr. Speaker, Sir, as I said, this money must be shown in shillings and not in dollars. That should be regularised when Mr. Okemo stands up to reply to this Motion. He told us that he has already reached a ceiling of Kshs348 billion. In other words, he has already spent over Kshs320 billion which is allowed by this House. This is why we are saying that he should come back to this House and explain, by way of a Sessional Paper, what he wants to do, then amend the law to allow for a figure which he is not likely to exceed. But coming to this Parliament for us to rubber-stamp it, I think, is unfair. The Minister is becoming unfair to this Parliament because he has already exceeded the amount approved by us. He says he has overspent because of appreciation of the dollar and depreciation of Kenya Shilling, among other reasons. We should foresee this. The position is so fluid that hon. Okemo cannot be right at any one time. So, you need to make your position better and make it right from the beginning, and not come back to this House for us to rubber-stamp whatever has already been spent. So, can we ask the Minister to bring a Sessional Paper to explain the borrowing limits? We should amend the Act because we cannot keep on amending this figure of Kshs13 billion every year. If you divide Kshs348 by Kshs13 billion, you will see how much the Government has overspent beyond what was approved by this House.

With those few words, Mr. Speaker, Sir, I beg to oppose.

Mr. Speaker: Mr. Minister, I got an indication from the Ministry that you wanted to move an amendment. I would like to take this opportunity to receive that amendment and dispose of it in one way or the other, as quickly as possible.

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, hon. Arap-Kirui will move the amendment.

Mr. Speaker: Would you move that amendment?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Thank you very much, Mr. Speaker, Sir. This is in response to comments made earlier to denominate the figures in the Motion in Kenya Shillings. The proposed amendment is as follows:

THAT, the Motion be amended by deleting the figures and words US\$4.1 billion (Kenya Shillings three hundred and twenty billion, i.e. Shs320 billion) to US\$6.5 billion (Kenya Shillings five hundred billion, i.e. Shs500 billion), and substituting thereof the words "an equivalent of Kshs320 billion to Kshs500 billion.

Mr. Speaker, Sir, I do not need to go any further to explain the need for that amendment because this has come out in various comments and objections by a number of Members to the initial Motion. So, I would believe that this is an amendment that is very clear, and I commend it to the House.

Mr. Speaker: Do you have any Seconder?

The Minister for Lands and Settlement (Mr. J. Nyagah) seconded.

*(Question of the first part of the amendment that
the words to be left out be left out, proposed)*

Mr. Speaker: I also further received an amendment to the amendment by Mr. Orengo.

Mr. Orengo: Mr. Speaker, Sir, my amendment is to amend the amended Motion---

Mr. Speaker: Sorry! I think we will have to deal with his and when we finish with it, I will call you immediately. So, we will dispose of this question of amendment and then I will call you.

Mr. Michuki: Thank you, Mr. Speaker, Sir, for giving me the opportunity to speak both on the amendment and the Motion itself. I will restrict myself to both.

(Laughter)

Mr. Speaker, Sir I rise to make my comments on the general principle which is embraced by the Motion, and what now amounts to an amendment by transposing the figures, which is coming nearer to the law but leaves us on the Floor to challenge the philosophy behind the Motion. When I attempted to rise on a point of order, you rightly persuaded me to wait until I am given the opportunity in order to make a comment on the general principle of policy. My comment in terms of policy is based on the quantum of the monies involved. The Minister for Finance - I have no facts - may have had a ceiling fixed through other resolutions of this House. It is my contention that at that point, the Minister for Finance, having obtained the resolution, ought to have initiated the amendment to the law, so that the amount that was authorised then becomes the new ceiling as per the law. So, in effect, what we are doing is actually to amend an earlier resolution because we are not touching on the law. We do not have that proposal before us from the Minister; that now, I have come to you again to amend your resolution, so that you increase the ceilings by a resolution because the law was left intact.

I wonder, Mr. Speaker, Sir, whether you should not guide us on this because, procedurally, there is something wrong. We are having recourse to the law which, although in conformity with the earlier resolution, does not make any sense in referring to it because the resolution seems to have overtaken the law. Therefore, we have complications here; amendment to the law to reflect what was the ceiling set by a resolution of the House, on top of which we have another resolution. I think the Minister was persuaded successfully by hon. Keriri, and I hope he will do better than his predecessors. There is no point in trying to quote what the predecessors did in a situation where we expect the Minister to do better. I want to congratulate him, as a member of the Finance Committee. He has done very well under very difficult circumstances.

An hon. Member: Surrounded by hyenas!

Mr. Michuki: Mr. Speaker, Sir, the change---

Dr. Kituyi: On a point of information, Mr. Speaker, Sir. I would like to inform my colleague, hon. Michuki, that the Minister for Finance should heed the call when he sees hyenas around him celebrating more than himself about

resumption of aid; he should know they are going to spoil his name by returning to the old ways which led to the suspension of aid.

(Laughter)

The Minister for Medical Services (Dr. Anangwe): On a point of order, Mr. Speaker, Sir.

Mr. Michuki: Mr. Speaker, Sir, can a point of order arise from information other than from what I said?

Mr. Speaker: Order! Order! Dr. Kituyi, if, indeed, the position would be as you proposed, then all hon. Members could always avoid the Standing Orders by standing to cause disorder through points of information. Proceed, Mr. Michuki.

(Laughter)

The Minister for Medical Services (Dr. Anangwe): On a point of order, Mr. Speaker, Sir. Hon. Kituyi has referred to some hon. Members of this House as hyenas. I am sure that we are all two-legged animals here; there are no four-legged animals in this House. So, could he withdraw the word "hyenas" and refrain from using unparliamentary language?

Mr. Michuki: Dr. Kituyi, could you take this opportunity to clear yourself?

Dr. Kituyi: Thank you very much, hon. Michuki. Mr. Speaker, Sir, Dr. Anangwe, who used to be a fairly intelligent teacher at the university, has believed that the mention of Prof. Saitoti will make him the Vice-President when Prof. Saitoti himself will not even remain the Vice-President. So, he talks about things which require him to take leave of his senses. He knows hyenas; I did not even say that they are honourables. How can a hyena be honourable? Whether it is here or not, a hyena is not honourable.

Mr. Speaker: Order, Dr. Kituyi!

An hon. Member: On a point order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, hon. Members! In all seriousness, could each one of us, please, make a deliberate attempt to return honour to the House? Please, let us not call each other names. Doing so will help neither this House nor Kenya. I think a better person is one who uses a civil language and puts his point across. So, let us get to that. I think everybody's sins are now forgiven. Let us begin on a new slate.

Proceed, Mr. Michuki.

Mr. Odoyo: On a point of order, Mr. Speaker, Sir. In view of the serious allegation that has already been put forward by hon. Michuki, that, we are breaking the law by discussing this Motion in view of the resolution of the House, is it in order for the hon. Member to continue contributing to this particular debate rather than requesting the Minister to bring a new resolution to the House before we continue with this debate? Perhaps, the Chair may wish to give us guidance. If we are breaking the law, perhaps, this debate--

An hon. Member: You came late!

Mr. Speaker: Order! Order! Please, sit down, Mr. Odoyo. I think you have been answered by your hon. colleagues. What you are asking me to do now, I did it much earlier. You realise that hon. Michuki is an hon. Member of this House; he is not the Speaker of this House. You realise that he is free to express his views, so long as he is still civil and gentle to Mr. Speaker, which he is. So, let him go along. After all, you and all of us here can learn from what he is saying. Let him say whatever he is saying. He was there for a long time himself. Proceed, Mr. Michuki.

(Laughter)

Mr. Michuki: Mr. Speaker, Sir, the hon. Member who has just been asked to be tolerant is a Member of the Departmental Committee, on Finance, Planning and Trade Committee, to which I also belong - and he knows that I served at the Treasury for a number of years.

I was trying to talk about the two figures - US\$4.1 billion and US\$6.5 billion. I was trying to say that the difference between the two figures, which is US\$2.4 billion, is a sufficient signal to this House, that the Government has a major change in policy in terms of borrowing. I am saying so, because we have never set ourselves to borrow as much money as this House is now being asked to allow to be borrowed. This is a major departure from tradition. It is, therefore, only fair for the Government, through the Minister for Finance, to have brought to this House a detailed Sessional Paper, showing that there is a change in Government policy, explaining, as my colleague said here, what has been achieved by the amounts that have so far been borrowed, and what is intended to be done with the additional money that is coming here.

Mr. Speaker, Sir, if the Government wants to avoid recrimination and allegations of corruption and

misappropriation of funds in the future, we must have detailed explanations as to what has been done with the money that was borrowed earlier and what is going to be done with the resources that this House is being asked to provide. Otherwise, what we are being asked to do, as a Parliament, is to hand over to the Minister for Finance a blank cheque for him to fill in when he feels like filling it in, be it at night or during the day, and whether in Switzerland or wherever. However, once the Minister commits himself on the projects he intends to execute, for example, by saying that, he will use US\$400 million, out of the US\$2.4 million, on roads "A" to "B", and the balance on agriculture, land procurement and settlement, and others, this House will be fully aware of the reasons for approving this amount. All these details will be in the record of this House, and the House will follow up to establish whether the money was used for the stipulated purposes. As it is now, we are being asked to hand over the power of this Parliament to Mr. Okemo; this, I will not recommend to any sensible person. I know that we are all sensible in this House. We have given the Government too many blank cheques in the past. We have had US\$210 million in form of fake papers, whose existence was justified through this House. The fake paper money was handed over to Mr. Kamlesh Pattni and people of that kind, because we gave the Government a blank cheque. So, what I am saying is this: By all means, let us get money to develop this country. I am very disappointed that a person of the Vice-President's status can stand up here and accuse us of trying to stop borrowing from anywhere, including the World Bank. What we are concerned with is the misuse of public funds, theft and the corruption that has gone on unabated through moneys voted by this House. We are concerned about this House being used as a rubber stamp.

Mr. Speaker, Sir, as you are aware, the other day, Kshs4.5 billion was drawn from the Consolidated Fund without the authority of this House and paid to the National Bank of Kenya. Thereafter, all of us were asked to hold the rubber stamp and stamp the whole transaction, which, of course, we did. We have been pushed to a point where we have had to do the same with the money that was used to construct Eldoret Airport, and in many other instances. This time round, we want to plead with Mr. Okemo to go back and bring to this House the proper information regarding the money he intends to borrow, so that this House can be on the same wavelength with him and others in Government. I do not know which computer, or man, calculated these figures for the Minister; they differ. I was trying to look at the figures in my office, purely as a matter of routine checking, and some very interesting information came out. It is as if the figures were calculated by two different people, who had no communication between themselves. Regarding the conversion of the US\$4.1 billion; in order to get the Kshs320 billion, it has been roughly converted at the exchange rate of Kshs78. There are those little things that get attached to the big figures. At the same time, there is the figure of 500 billion; that is US\$6.5 billion dollars is converted at the rate of Kshs76.92 per dollar. So, there were two people, one dealing with the former figure and the other one dealing with the latter figure, although we know that there are problems of the exchange rate because of the volatility in the market; it is like the Olkaria steaming up, and that is how the market is now reacting. Therefore, one gets sort of that average at the end of the day, but I think here again we are mislead, and I would urge the Minister for Finance to stick to what is provided for in the Act. The reason being that if he does not stick to that constant figure, he would find himself in a very big problem. What about how the Kenya shilling is behaving? It is now strengthening, but it has been tottering. But I think he is injecting some blood into it, and he is now sitting next to the Minister for Medical Services when I am sure that they could inject the Kenya shilling with a little bit of blood. What about when he gives you more blood to inject into the Kenya shilling, and it strengthens and comes down to Kshs50? What will you do about the figure? This is because the figure becomes entirely different in conversion. Will you borrow less dollars, or what will you do? Therefore, I am trying to say this: Could we have a figure that is constant? In fact, we should have a figure that provides the control point so that you can move in either direction by way of the US dollar and the Kenya shilling. Mr. Minister, it is just a suggestion, which you may chose to take or just ignore. I would like to say this: I support the general principle of getting money to develop this country, but I will not do that at the expense of recommending that the Minister be given a blank cheque. I will not do that at the expense of information being withheld from this House and the country as a whole; about what has been done with the money so far borrowed, and what is intended to be done with the additional monies. So, with those few words, can I leave that to the Minister to consider?

Mr. Speaker: Could I dispose the amendment, and then, we can come to hon. Orengo's amendment, and then to the "meat"?

*(Question of the first part of the amendment,
that the words to be left out be left out,
put and agreed to)*

*(Question of the second part of the amendment,
that the words to be inserted in place thereof)*

be inserted, proposed)

(Question of the second part of the amendment, that the words to be inserted in the place thereof be inserted, put and agreed to)

(Question of the Motion as amended proposed)

Mr. Speaker: Yes, Mr. Orengo; you had an amendment. I have got to get the amendment out of the way.

Dr. Kituyi: If it is possible.

Mr. Speaker: Yes, if it is possible.

Mr. Orengo: Mr. Speaker, Sir, before I move the amendment, I would want to say that in these proceedings on this particular Motion, I think every hon. Member who has spoken from both sides of the House has placed it on record the work being done by the Minister for Finance in very difficult conditions, and I want to join my colleagues in admitting that the Minister for Finance has been managing the financial affairs of the country under very difficult conditions, and that must be placed on record.

I would also want to encourage the Minister to be as transparent and accountable as possible, and at least, in my own experience, there is some measure of consultations and openness, which I hope is not just due to the fact that the IMF and the World Bank are on our backs, but if it is a change of style, then, that is, indeed, commendable. When we have a Minister who is trying to ensure that he is in control in his particular Ministry, then, I think that is commendable and something which many of those who sit across have not managed to do in the past. I want to say this: That if I was sure that the Minister for Finance would remain in the Ministry for the next one to three years, then, going by the record, I would be quite happy to give him a blank cheque, because at least, there is some measure of consultations. I stand to be corrected, but no lesser person than a Member of the Committee on Finance, Planning and Trade has spoken on the basis of how the Minister has been working with them, and that gives Parliament an encouragement.

However, unfortunately, going by the past record; in fact, in this Parliament, we have had three different Ministers for Finance in a period of three years, and they have been reading an average of one Budget per Minister. Hon. Prof. Saitoti did not have the same experience, but these Ministers who have been appointed after him have been having this unique experience of running that Ministry on the basis of a short-term tenure, and it is very difficult to judge performance when the tenure is so short. So, then, it is difficult to give a blank cheque.

All of us know that the issue of management of debts is central to the problems that we have today in the country. Indeed, at the seminar that we held in Mombasa, and subsequently, there was another seminar at Mbagathi, and I do not know whether it was a follow-up or not, the issue of debts was central in the deliberations. In the last Budget, nearly all the three of the Ministers have promised the country discipline in the management of the financial sector and sound monetary policies, but despite those promises, the records show clearly that they have not been doing very well, particularly in the management of debts. In those circumstances, you can see from the records that the last time that the House made a resolution pursuant to Section 6(1) was in 1993, where the level of indebtedness was increased from an odd Kshs140 billion to Kshs320 billion.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I must commend my friend hon. Donde for trying to monitor the financial sector as a whole. I think he follows it day by day. He would by the hour and the minute tell you the indebtedness of the country and the premium on Treasury Bills. He has just stood a few minutes ago to tell us that in fact, our external debts stand at around Kshs348 billion if I understood him well. We have gone beyond the limit. We have passed the Kshs320 billion limit without the authority or sanction of Parliament. The points which were made by hon. Michuki, for example when he said that Parliament should not be used as a rubber stamp must be taken seriously. Before the level of indebtedness had reached beyond Kshs320 billion the previous and current Finance Ministers should have very quickly come to the House and asked for a resolution of the House to increase that level of indebtedness. In any case, arguments have been shown quite clearly again that there is a limit in accordance with the Act. We cannot change that limit without an amendment. I agree and concur with those arguments that were put forward by hon. Michuki and my learned friend hon. Muite.

In that regard, I would like to move the following amendment:

That, the Motion be amended by deleting the words and figures Kshs500 billion and inserting the words and figures Kshs400 billion in place thereof.

In this way we will reduce the authority that we give to this Government in expanding our level of indebtedness. This is to make sure that Parliament is at all times and almost in every financial year able to assess and know the level of our indebtedness more regularly so that the period of seven years or more does not pass before we come back to look at the situation as a whole. This is not to say that I am not in agreement with the problems facing the country at the moment that we need to borrow more - I do not know whether that is justified in the present circumstances - and that aid is coming in, in currencies that fluctuate. To that extent one understands the predicaments.

I hope that this House will agree with me that we should not give the Government a blank cheque and that we should reduce that figure of Kshs500 billion to Kshs400 billion. There is a point which hon.---

(Loud consultations)

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. We appreciate that some hon. Members may be here for purposes of voting, but it would be helpful if they let those who want to follow the argument here to do so. There is a lot of celebration of "you know what".

Mr. Orengo: Thank you, hon. Dr. Kituyi. On the issue of resumption of aid, I wish that the hon. Members on the opposite side would, in rejoicing about the resumption of aid for which we commend you to some extent, tell us why it was stopped in the first place. It was not because of anybody in the Opposition. Why was aid stopped in the first place?

Hon. Member: Ask Prof. Saitoti!

Mr. Orengo: Aid was stopped due to economic mis-governance. The World Bank and IMF have said they will not give us any money unless there are certain conditionalities because there is a loss of confidence and trust in this Government. Therefore, they have put caveats in the way they will give you this money. Nobody who is sane should blame the Opposition for the fact that the international community stopped giving aid to Kenya. This problem emanated from problems which must be squarely placed on the Head of the present Government. I am not surprised because if you were enthusiastic about increasing the level of indebtedness you should have also been enthusiastic in dealing with the issue of corruption because corruption and waste have led to mis-governance, Kenyans dependence on external aid and unnecessary borrowing.

The Government should have one standard which should apply to all Motions and all business. However, you cannot want to be given money to spend, which you are borrowing on behalf of taxpayers while on the other hand, you do not want to deal with the issue of corruption. The Minister should go back to his colleagues and say: "We have made a big mistake in not dealing with the issue of corruption", because when this money comes tomorrow or the day after there are elements within the Government who are facing charges in court. There are those under investigation by the Kenya Anti-Corruption Authority who hold positions in the Government and at the same time, they are required to manage the financial affairs of this country. That is not the team with which the Minister for Finance will carry the burden of managing the financial affairs of this country correctly. Therefore, Parliament must come in. We should give you a lower limit so that you can come back to us to check and find out whether you are doing the right job.

Many times the Minister for Finance has said on the Floor of this House on a particular issue, that he will have a problem with the IMF and World Bank because we are being monitored. You are happy when you are monitored by IMF and the World Bank and when people are placed at the Treasury from foreign countries to manage you because you cannot manage yourselves, but when Parliament wants to manage you, you feel threatened. You are like the colonialists who left 30 years ago whereby you want to be managed by outsiders and you do not want to be managed by this Parliament.

Mr. Temporary Deputy Speaker, Sir, to ensure that Parliament manages this Government, I strongly believe that this limit should be brought down to Kshs400 billion and not left at Kshs500 billion as proposed in the current Motion.

With those few remarks I ask hon. Dr. Kituyi to second my amendment.

Dr. Kituyi: Thank you, Mr. Temporary Deputy Speaker, Sir. In seconding the proposed amendment, I will also make my main contribution to the Motion before the House. The normal practice of our kind of Parliament is that when the Mover of a Motion brings it to Parliament, or a seconder seconds such a Motion, they seek consensus in the House and support from both sides of the House for the matter they are moving or seconding. There is a very interesting thing going on today here.

Mr. Temporary Deputy Speaker, Sir, the hon. Minister who moved the Motion made some points, which I want to negate in a while, but he was dignified and was asking the House to support the Motion he brought before us.

Mr. Temporary Deputy Speaker, Sir, the former Minister for Finance and current Leader of Government

Business was rolled out to second and what does he do? You would think he was declaring war. You would forgive us for wondering why he was so cocky. Instead of asking the House to support the Motion before it, he started lecturing the Opposition on how they will be defeated, the way they were defeated in 1992 and 1997!

Mr. Gatabaki: On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a very serious Motion going on! The National Development Party (NDP) Members have a habit of using this corner to make noise and hold their meeting on how to support KANU! Could you declare that they either contribute or get out of the Chamber?

(Laughter)

The Temporary Deputy Speaker (Mr. Poghismo): Order! That is not a point of order! Proceed, Dr. Kituyi!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir---

Mr. Kajwang: On a point of order, Mr. Temporary Deputy Speaker, Sir. First of all, the hon. Member who has just stood on a point of order has said that, we are making noise! Secondly, he has said that we are conspiring to support KANU---

The Temporary Deputy Speaker (Mr. Poghismo): Who are you?

Mr. Kajwang: I am an NDP Member and I am sitting at this corner! So, it may go into public domain that we are noisy and conspirators! I want my learned friend to either substantiate, or withdraw and apologise to the House!

The Temporary Deputy Speaker (Mr. Poghismo): Order! Mr. Kajwang', you are actually putting it into your interpretation. Just proceed, Dr. Kituyi!

Dr. Kituyi: Thank you, Mr. Temporary Deputy Speaker, Sir. I was saying that, I was amazed at the invisible warriors that the Vice-President was fighting, with his arms going up into the air, and his fingers poking into the air and pointing at us! He was declaring that, just like they won in 1992 and 1997, they will win again in the year 2002. We thought he was just seconding a Motion to raise the ceiling of permissible indebtedness. Why the aggressiveness? Why the arrogance? The answer is clear.

Mr. Temporary Deputy Speaker, Sir, earlier on, I warned the Minister for Finance and I would like to repeat the warning. You are a relatively nice person. When they were messing these things, you were in the Opposition. You were at the FORD(A) when these people were creating conditions under which the bilateral and multi-lateral donors withdrew aid to Kenya. So you know that. It is convenient for you to pretend that you forgot. But you know the conditions. You were not in this Parliament. But from out there, you were seeing what we were seeing from close quarters. They will use you. You know, there is a habit that, when the requirements of the supplier of resources needed by this Government needs clean faces to be rolled out, they will roll out clean faces. They will gag the bad voices. They will hide the ugly faces. But once the minimal requirements are met, you will start seeing them planting articles in newspapers, ravishing some people. You can see what happened to the "Dream Team." They will start rolling out their ugly faces. The voices of aggression will start becoming dominant again. So, you have to worry if you are part of the clean machine, about when they will start messing you up!

The Assistant Minister for Environment and Natural Resources (Mr. Kimkung): On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member address the Chair, rather than addressing the Minister?

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I am addressing the Minister through the Chair! I am advising my neighbour and Minister for Finance to watch his back! If you are going to a funeral, and notice that your neighbours are wailing more than the bereaved, you should worry about what existed between the dead and the neighbours. If you announced that we were about to receive aid again, and the faces that had been in reverse gear became aggressive and arrogant all of a sudden, and start celebrating like they have achieved something, you should start wondering: Why are they donning more than the bridegroom for this wedding? What have they done to deserve the celebration that they are so geared to celebrate?

Mr. Temporary Deputy Speaker, Sir, there were some three arguments that the Minister presented for requesting the ceiling to be raised. The logic of the famous original law must have had some reasons, as to why we should have restraint in the amount of borrowing that we indulge in. One of the most important consideration is our capacity to service the debt. Are we over-saddling the future generations with a debt that they are not prepared to service? Today, the capacity of the Kenyan taxpayer to service a debt is less than the capacity ten years ago. So, if you want to increase the ceiling of the public external debt by 47 per cent, and the target person who will service that debt has more diminished capacity than ten years ago, you have to ask yourself: "Are you mortgaging the future of our children?" Are we going to bequeath poverty to the next generation of Kenyans? Are we doing anything to enhance their capacity to service those debts, which are being incurred because of the consumption styles of the current generation?

Mr. Temporary Deputy Speaker, Sir, I wish the Minister, in moving his Motion, told this country that, under

the current conditions, we have seen these dynamics which will enhance our capacity to service an increased debt. But he has not told us anything to give us the impression that, we will be better prepared to service those debts. I worry for you because you might actually intend well that, given management of certain macro-economic factors, the economy might be turned around. But then, you are not sequencing in the macro-political factors. The ugly faces that will start propping up once the money is here, are beyond your control. The same persons who were responsible for the withdrawal of foreign aid three years ago, who were bragging that it does not matter if some small donor went away, are still in the Government! They may be covering their ugly faces today. But you will see them roll out tomorrow. In fact, it does not take too much science to predict that, over the next few months, the most rabid hawks will increase their voices. The most irresponsible reckless statements will be made. The political machine that celebrates mis-governance will come back in top gear. The season of hibernation is about to end. They needed to hibernate until the donors gave the money, because they scare away the donors! However, you will not have any instrument of gagging them, once the donor money is here! Once the vultures have gone to the air and seen the kill, even if it is a great lion that killed the animal, you cannot stop them from getting to the entrails! So, it is the destructive habit of those vultures that we are worried about. To what extent will they allow you to continue with the prudent management of the economic factors and controls, as you have been allowed to do when they have been under restraint because of multi-lateral donors?

Mr. Temporary Deputy Speaker, Sir, I listened to the Vice-President of Kenya, happy to announce that Kenya has mainly been borrowing concessionary loans; mostly cheaper loans because we are careful in our house-keeping. I was thinking: How dishonest! Of course, every responsible Government will try to borrow concessionary loans. But why do we have very many exceptions? For every exception to that norm, there has been a problem of greed, mis-governance and accountability! Those who have been managers of non-accountability should be the last ones to make statements that they do not honour. They will make you sound as if you are agreeing with them. But the taxpayer in this country does not want to see their faces. You cannot raise these voices. You should celebrate the face of an Opposition which, in your hearts of hearts, those of you who are clean, wish that you had the ability to say some of the things that we say. But then, the ugly faces will destroy you!

Mr. Temporary Deputy Speaker, Sir, I agree with hon. Orenge that, there is a certain loss of national honour, when we seem to be so gullible to the advice and whims of representatives of donors. I know it has been a very humbling experience. I know how the Minister at one time, even lost his temper and said: "Now, we cannot go on negotiating when you keep shifting the goal posts!" It is frustrating! But it is the price they are paying for the mistakes done by some in their Government. But yesterday, there was a very strange item on the news. There was a policy speech read on behalf of the Minister for Finance at a workshop. The person who read that speech was an expatriate advisor in the Ministry of Finance.

Hon. Members: Shame! Shame!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, it was on news, and the Minister can go back and try to jog his memory. "The Minister for Finance has said the following", that was news and then they went on to say: "This was mentioned in a speech read on his behalf by an advisor in the Ministry of Finance." This advisor had two Anglo-Saxon names.

Hon. Members: Shame! Shame!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, it will be helpful for the Minister and the dignity of Kenyans---

The Minister for Finance (Mr. Okemo): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it really in order for the hon. Member to impute improper motive on my reasons for sending an advisor to represent me, because anybody can represent me provided he reads the speech that I have prepared?

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, you see when I said this thing, I could not remember the names as this was an expatriate, but I am glad that the Minister has agreed with those more doubtful things. But now that he has done that, I am saying that I do not impute any improper motive on the part of the Minister, but I am saying that it diminishes the dignity and honour of Kenya; that the policy statement on finance is presented on behalf of our Government--

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

The Temporary Deputy Speaker (Mr. Poghiso): Dr. Kituyi, do you need information from Dr. Ochuodho?

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I will react to it. In his thinking, there is nothing wrong with an expatriate giving a policy statement on behalf of the Minister for Finance in the Government of Kenya. However, I think it demeans the honour of Kenya; it blurs the glow of our rather diminished national star that expatriates come to read policy statements about what Kenya will do on behalf of Ministers. So many years later, we should have some underlinks in our Ministries with this skin colour or, at least, with this country citizenship to go and

read those statements for him instead of some expatriates.

Mr. Temporary Deputy Speaker, Sir, I will now take the point of information from Dr. Ochuodho.

Dr. Ochuodho: Thank you, Mr. Temporary Deputy Speaker, Sir. I just wanted to inform Dr. Kituyi about policies. His Excellency the President said that policy issues should not be said by any other person other than the Ministers and their assistants, and he has many of them. It is not either Permanent Secretaries, or those other people called expatriates. That goes in line with what the President said.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, that is, in fact, a very good idea. The Minister would have rolled Marrirmoi---

The Minister for Finance (Mr. Okemo): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it really in order for hon. Kituyi to speak against his brothers in-law?

(Laughter)

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, it maybe true that I have in-laws who are not Kenyan citizens, but I can assure you that I can never--- If you avail yourself to reason, I will answer you.

Hon. Members: Shame!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, some of the hecklers may not know---

Hon. Members: Who are the hecklers?

Dr. Kituyi: Hecklers are those who cannot use their heads for anything other than shouting!

The Temporary Deputy Speaker (Mr. Poghiso): Dr. Kituyi, they are hon. Members of Parliament!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, they are hon. Members of Parliament who have taken leave of their senses and they are heckling. I can accept that non-citizens can be my brothers in-law, but if I was a Minister in the Government of Kenya, I would never use one of my brothers in-law, who is not a citizen of this country to read a policy statement of the Government of Kenya.

(Applause)

The hon. Minister has many persons who can do it for him. He has hon. Marrirmoi who could go and struggle through that statement. He also has the Member of Parliament for Sigor Constituency.

The Assistant Minister, Office of the President (Mr. Haji): On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member care to tell us who advises him at night?

(Laughter)

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I am enjoying this. The hon. former Provincial Commissioner is a friend of mine and sometimes I look at him and have this problem because when you have fresh men who have a capacity to learn some of the rules of debate, you help them and they catch up, but when you have some in a certain mental frame, they cannot even understand what a point of order is all about.

An hon. Member: Mwambie!

Dr. Kituyi: If a senior citizen of this country can rise in his place, like my friend---

The Temporary Deputy Speaker (Mr. Poghiso): Order, Dr. Kituyi!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I am going to answer him in my time and I am very glad that he has raised that matter. He is welcome. When you attack me I feel like I am savaged by a dead fish.

Mr. Orenge: On a point of information, Mr. Temporary Deputy Speaker, Sir. Hon. Dr. Kituyi, I wanted to inform you that when you have people who have been very high in the Government, who believe that the best advice they can get is together at night, then I wonder whether the Head of State is getting any advice.

(Laughter)

Dr. Kituyi: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I totally embrace that advice from hon. Orenge and, if hon. Haji would like to continue with the matter, we could even delve further in related lines. But more fundamentally, I was telling the Minister for Finance that some of them on the other side of the House are still hon. Members, and many of us on this side of this House would like Kenya to be a respectable place. Even as he negotiates with donors, we worry, if he has lost the sense of self-respect; we worry if he is ready to follow anything they tell him, even rolling out their own to go and give statements on behalf of the Government of Kenya. You can

now see the importance of something we did not do. How great it would have been, if the Minister would have presented a Sessional Paper, setting out what he wants to use money for. This is because saying that it is due to the depreciation of the shilling is not good enough. The Kenyan shilling depreciated to Kshs79 to the dollar, but as of today, it has appreciated to Kshs74 against the dollar. So, the sickness he wants to cure is already being cured. So, that cannot be the basis for increasing the ceiling. Secondly, when the shilling depreciated and he exceeded his ceiling by Kshs18 billion, that would have been the time for him to bring this Motion before the House. Is it any accident that on the brink of the meeting, which by very unusual method, he has already announced its results officially to the House --- Is it any accident that on the eve of that meeting, he has to come to Parliament and get the legitimacy to borrow beyond certain limits? If it is the case that the Government of Kenya wants to obey the law because the donor has told it to obey; that it wants to keep borrowing within the limited ceilings provided in the law, because a donor has asked it to do that, it makes a very severe statement about what the Government is; about how much it respects the rule of law. You can come and make arrogant statements like I listened to hon. Prof. Saitoti making. These days he is given to this little wars; he makes himself run into a trance and threatens all his imaginary enemies. Of course, they are never on this side of the House, but on the other side of the House---

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Perhaps, hon. Kituyi can declare to this House that he is too much infatuated with my presence here.

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

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, when I went to school I knew the meaning of the word "infatuation". You get infatuated by the presence of a person like a girl you might like, but you have a wife and you do not know how to do it.

(Laughter)

But even if I was a girl, do you think I could possibly be infatuated by hon. Saitoti?

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Would I be the person who would wish in anyway to be infatuated by hon. Kituyi?

The Temporary Deputy Speaker (Mr. Poghio): Order, both of you!

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, is that really a point of order?

The Temporary Deputy Speaker (Poghio): Order! We are done with that humour. Let us proceed with the seriousness of the matter.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, you know that there was a matter which was raised here yesterday by hon. Orengo that some hon. Members rise up to make vague statements, and they are allowed to get away with it, pretending it is a point of order. What point of order has hon. Prof. Saitoti raised here? All he does is to stand, smile, put his right hand in his pocket, say irrelevances and get away with it. If it was an hon. Member from this side who does that, he would be shown the door. Now, could you not set a precedence that sometimes when hon. Prof. Saitoti is irrelevant, you also threaten to send him out?

(Applause)

The Temporary Deputy Speaker (Mr. Poghio): Some time we will do that.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, every time I see hon. Prof. Saitoti smiling and sitting there when we are discussing a matter on finance, something interests me to look at him, not because of infatuation, but I now want to tell him.

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Chair satisfied that the hon. Member is actually being relevant to the Motion? There is a Standing Order that does, as a matter of fact, forbids an hon. Member from being irrelevant. That is what has happened now. So, the Chair, perhaps, can actually put him in order and, in fact, even stop him from being irrelevant.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I was saying something very fundamental and you should judge after I finish whether it is irrelevant to the matter at hand or not.

I said that there is something that interests me when I look at the face of Prof. Saitoti when we are discussing matters of ceilings and finances to be borrowed.

The Temporary Deputy Speaker (Mr. Poghio): But why personalise it?

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I am talking about the Leader of Government Business and the neighbours to the Minister for Finance, figuratively and physically. I am talking about the working environment that hon. Okemo will be operating in. We will raise the ceiling and allow him to start borrowing money and it is the

proximity of persons who have proven capacity to have sticky fingers that scares many of us.

The Assistant Minister for Education, Science and technology (Mr. Karauri): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is Dr. Kituyi not in breach of Standing Order No.172, when he says that the Front Benches are reserved for people with positions when the same thing happens to people even in the Opposition? He is now sitting on the Front Bench from the Opposition side and contributing from the Despatch Box.

The Temporary Deputy Speaker (Mr. Poghisio): Order! I think he is raising a very pertinent issue which needs to be addressed.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, to finish, I want to say that it is true that the Minister needs some discretion, but that discretion can be accommodated within the limits that are being proposed in the amended Motion, as proposed by hon. Orengo.

Mr. Temporary Deputy Speaker, Sir, finally, I will repeat to hon. Okemo: "Those who smile with you, and who are donning the attire to celebrate donor funding return to Kenya, you should watch out! They will make you spread your shoulders to share the evil with them".

With those few remarks, I beg to second.

(Question of the amendment proposed)

Mr. Kitur: On a point of order, Mr. Temporary Deputy Speaker, Sir. Could you put the question on the issue of amendment so that we could go to the original Motion?

*(Mr. Masakhalia consulted with
hon. Members of the Back Bench)*

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Masakhalia! The question of amendment has just been proposed. I will put the question, so do not worry.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute on this amended Motion.

I am normally a stickler for the rules and regulations governing fiscal management of this country. I have been in this House for the last three-and-a-half years. This is the first time a Minister has sought Parliamentary approval to increase the level of his ability to borrow for this country. The Ministry of Finance has been going out there, borrowing money on behalf of Kenyans without seeking authority or approval of this House. The new Minister for Finance happens to be among the cleaner Ministers in the Front Bench of this House. I have no reason to doubt the objective of asking for increased level of borrowing.

Mr. Temporary Deputy Speaker, Sir, as one colleague has stated, as the Minister seeks this higher level of borrowing, he must be careful and make sure that if he is allowed this higher level of borrowing, he will be the only person who manages the resources to be borrowed.

Without casting aspersions on anyone of our front benchers, experience has it that whenever we borrow money, we do not show how we spend that money. Whenever we receive grants from overseas, we do not show where those grants have been used. As you realise, recently, we were told that we received some Ksh1 billion for the rural electrification project from Spain. We got a similar amount from France. But I am yet to find an hon. Member in this House saying that some amount of money was spent in his constituency on rural electrification. We have had Kshs15 billion given towards the *El Nino* Emergency Fund, yet, we cannot see one project where those funds have been successfully used for the benefit of Kenyans.

Mr. Temporary Deputy Speaker, Sir, sometime today, the Minister for Finance said that we get funds from the European Union (EU) and the USAID for entrepreneurs to borrow at concessional rates. But in my constituency, there is not a single person who has accessed these type of funds and my colleagues in this House could probably confirm the same. They cannot say who among their constituents has had access to those kind of funds.

Mr. Michuki: On a point of information, Mr. Temporary Deputy Speaker, Sir. I would like to inform my colleague, hon. Angwenyi that, despite these high levels of borrowing, studies carried out by international experts show that if you give the Government of Kenya K£100, the capacity within it to spend can only be for K£3, and the K£97 will either be misappropriated or remain unspent.

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, thank you for the information.

That is why I said earlier that it looks as if the new Minister for Finance is somebody we can trust to have some level of ability to manage our resources. He has embarked on a new Medium-Term Expenditure Framework (MTEF), and we hope that he will execute that programme successfully. We have been given assistance by our

development partners; we have borrowed money overseas for the development of this country yet, there is nothing that we can show which has been done with this money. These persons who were charged with the responsibility to manage these resources were not able to manage them properly. This country needs lots of funds and financial resources to turn round the economy.

Mr. Temporary Deputy Speaker, Sir, as we sit here today, 42,000 Kenyans stand to be retrenched. They are going to be sent out there without employment and sources of income and their families are going to suffer. If we were able to borrow money and utilise it properly, instead of these people being sent out there in the cold, they could be able to get jobs and get their salaries and income and maintain their families, I would support that kind of programme.

Mr. Temporary Deputy Speaker, Sir, as we know today, Kenya is in darkness and as a result of this situation, Kenya is losing Kshs8 billion a month. By the end of this year, we would have lost in excess of Ksh50 billion. If this Minister is going to assure and confirm to this House that whatever money he borrows will be channelled to projects like the development of geothermal electricity, then we will assist him as a House to borrow it and use it for that project. I have said before that even in our budgets and the amount we borrow, it must be transferred to a constituency. The level being sought for borrowing--

The Assistant Minister for Information, Transport and Communication (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. Could I now ask that the issue of the amendment be disposed of and that you put the Question?

(Applause)

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, I now know why the Assistant Minister was never promoted to be the Minister for Finance even after staying in that Ministry for 30 years. This is because he does not want to discuss this Motion exhaustively. We are here to discuss the affairs of this country and especially when we are asking for an increase in the limit of Kshs1.8 billion. **The Temporary Deputy Speaker** (Mr. Poghiso): Order! Hon. Angwenyi, he also a right to do what he did.

Mr. Angwenyi: Yes, he should have been asked to be sacked the way I did because I know I could not perform. So, what I am saying is that so long as we manage our resources properly, then this House will support the Minister. Proper management includes seeking an increased level of borrowing for the proper projects that this country needs. So long as we can borrow and give our people jobs, so long as we can develop our country, if we can do it properly, then I think it is only fair for this House to support such borrowing instead of the country borrowing behind-the-scenes, secretly and incurring unconstitutional expenditure, then what is being proposed today is a proper way of doing it. If the IMF opens up for us tomorrow like we have been promised by the Minister, because of the efforts of the Minister and the "Dream Team" I suppose, there will be flooding of resources in this country. However, we have to assure our development partners that the money is going to be used properly.

Mr. Temporary Deputy Speaker, Sir, if we are going to open up for these resources, then we should increase the level of borrowing by this country. I would urge my friends across the Floor, that is the ones whom we have been working together on most of these issues, that today for a change, they support the Minister for Finance so that he does his work and does not get clobbered. He could be clobbered and somebody dirty could be put in that position. So, I am urging my colleagues across to support the Minister on what he is asking for; that is a higher level of Kshs500 million.

With those remarks, I beg to oppose.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, before I contribute substantially to the Motion, I would like to correct one misunderstanding regarding foreign borrowings by the Republic of Kenya especially concessional loans and grants. There is a misconception in this country that since 1992, due to multi-party politics, Kenya has received less and less concessional loans and grants. There has also been a misunderstanding that when the multi-lateral donors suspended concessional loans to Kenya in 1997 and then finally stopped it altogether, that Kenya has since then received less concessional loans than before. This is not correct. Since 1992, Kenya has been one of the highest borrowers of concessional loans and one of the highest recipients of grants at an average of US\$1 billion a year. The problem is that whereas Kenya has borrowed more than before--- Kenya used to borrow very little in the seventies and eighties. Whereas Kenya in the 1990s has been borrowing more than before, the per capita utilisation of this loan with regard to its impact on the economy is very low. In other words, the more we borrow, the less it is shown in terms of economic growth. The more we borrow, the less it is shown in terms of economic performance so that there has been an inverse relationship between the improvement of infrastructure and the amount of money borrowed for infrastructural development. There has been an inverse relationship between the degree of borrowing and the rate of economic growth.

Mr. Temporary Deputy Speaker, Sir, this is one of the saddest thing that this economy has seen. This is very much contrary to the experiences of South East Asian countries and some of the Latin American countries. One of the reasons why Mexico recorded a very high rate of growth in the 1980s is because it borrowed very heavily in the

international markets when money was cheap and used that money to invest heavily in infrastructural development, particularly urban mass transport. If the Government was going to convince us today to allow them to borrow more money, I would have liked a proposal by the Minister saying: "We are trying to borrow more money to ensure that the programme we have already set in motion, that is road development, is going to be supplemented by the building of tramways in our urban centres." This is because tramways are some of the cheapest means of urban transport to use in the developing countries. If we had tramways we shall use electricity rather than diesel or imported gasoline to run the tramways. We shall thereby cut down on the necessity of borrowing hard currency to import petroleum. That will go a long way to adding to our economic growth and reducing the dependency on foreign borrowing to finance economic growth.

Mr. Temporary Deputy Speaker, Sir, one of the other reasons why we have been borrowing very heavily and recording a very poor rate of economic growth and performance is because we have been depleting our domestic savings. If the Minister for Finance was going to be complemented for good performance, I would have wanted to see a Sessional Paper here which is counter-posing domestic saving with external borrowing and showing us that while we are going to externally borrow, we are also going to increase the rate of domestic saving and also increase the rate of domestic capital formation using our domestic saving and reducing foreign borrowing. That is the kind of Sessional Paper that would have persuaded me to allow this Government to increase foreign borrowing.

Mr. Temporary Deputy Speaker, Sir, as it were, the Minister for Finance wants to convince us, like a Pope speaking *ex-cathedra* that we need to borrow without giving sufficient reason. There is no better reason than counter-posing domestic savings against foreign borrowing and convincing us that this Government is, indeed, going to have good performance with regard to domestic savings, which will lead to domestic capital formation to curb down on reliance on external borrowing. However, for example, we know that since 1992 our Government has performed superlatively in depleting domestic savings.

Let me give one example. When I was the Chairman of the Public Investments Committee, in 1994, the National Social Security Fund (NSSF) had a surplus fund of close to Kshs11 billion.

Mr. Osundwa: On a point of Order, Mr. Temporary Deputy Speaker, Sir. I would like to move that we now dispose of this amendment.

(Applause)

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir. This is a very important Motion and---

The Temporary Deputy Speaker (Mr. Poghisio): Order! Order!

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

The Temporary Deputy Speaker (Mr. Poghisio): Order! Order, Mr. Mwenje!

Mr. Mwenje: This is a very important Motion and we should be given enough time to contribute! I am on a point of order and I must put my point!

The Temporary Deputy Speaker (Mr. Poghisio): Order! You cannot! You just cannot! It is impossible! I tend to think that it is an amendment and we just want to dispose of the amendment--

Hon. Members: No! No!

(Loud consultations)

The Temporary Deputy Speaker (Mr. Poghisio): Order! Order!

Mr. Mwenje: I am in order to raise my point of order!

The Temporary Deputy Speaker (Mr. Poghisio): How can you be? You are standing! Order! What is it?

(Loud consultations)

*(The Deputy Clerk, (Mr. Gichohi)
consulted with the Chair)*

Mr. Orengo: On a point of order, Mr. Temporary Deputy Speaker, Sir. If the Deputy Clerk can allow me to address the Speaker, when the amendment came from the Assistant Minister to amend the Motion, because we are free to speak on the Motion and on the amendment. So, hon. Prof. Anyang'-Nyong'o is not speaking only on the amendment, but on the Motion, which has been passed. So, you have to do two things: One, if you are bringing this

particular debate on the amendment to an end, then you must give hon. Prof. Anyang'-Nyong'o time to continue to speak.

(Loud consultations)

Yes! Yes. It is fair! Yes!

The Temporary Deputy Speaker (Mr. Poghio): Order! Order! Hon. Members, if a Member stands up on a point order to move that the matter be disposed of, they can do it any time. Whether you are speaking on the amendment or on the original Motion. That is why I am saying that if it was the discretion of the Chair, I would have only advised the Member on the Floor to wind up so that we can dispose of the matter. But it is just the discretion of the Chair and so Prof. Nyong'o-Nyong'o, if you can just wind up before we put the Question---

(Applause)

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I will wind up very quickly and I will give you the Order of the Burning Spear; First Class.

The Minister for Information, Transport and Communications (Mr. Mudavadi): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Hon. Members: No! No!

The Minister for Information, Transport and Communications (Mr. Mudavadi): Mr. Temporary Deputy Speaker, Sir, my point of order is slightly different that, in view of the interest that this Motion is generating, I would like to propose that under Standing Order 17 that we extend the Sitting by one hour to 7.30 p.m.

Hon. Members: No! No!

The Temporary Deputy Speaker (Mr. Poghio): Order! Hon. Members, these are all things that are in our rules. You cannot begin by saying "no" or "yes". I am going to put the Question.

(Question that the sitting time be extended to 7.00 p.m. put and negatived)

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, the other point I want to make and which is very important is that some of the reasons why we have been borrowing is that we do so for totally wrong reasons.

For example, we have been borrowing to finance misconceived---

The Assistant Minister for Trade, Tourism and Industry (Mr. Sankori): On a point of order, Mr. Temporary Deputy Speaker, Sir. I seek your guidance on this issue. We are saying that we would like to dispose of the amendment to the Motion first. So, I am kindly requesting you to put the Question.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I was going to wind and if they gave me time, I would have done so.

The Temporary Deputy Speaker (Mr. Poghio): Order! I fear that we are going to get so much interruption. But many hon. Members have stood up to request that I put this Question. Let me put the Question to the amendment.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

(Question of the first part of the amendment, that words to be left out be left out, put and negatived)

(The Debate on the original Motion as amended resumed)

The Vice-President (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Indeed, we have discussed this Motion at length on the amendment and during contributions to the actual Motion. Therefore, I would like to propose that the Mover be called upon to reply.

Hon. Members: No! No!

The Temporary Deputy Speaker (Mr. Poghio): Order! I will put the Question.

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

The Temporary Deputy Speaker (Mr. Poghisio): Order! Mr. Mwenje, do you now want to withdraw from this House?

(Mr. Orengo stood in his place)

Order! Mr. Orengo, you cannot stand when Mr. Speaker is on his feet.

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

(Loud consultations)

Order! There is no way you can order the Chair. Let us maintain some order in this House.

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

The Temporary Deputy Speaker (Mr. Poghisio): Order! Hon. Members, we are going to conduct the business of this House, whether Mr. Mwenje likes it or not. Mr. Mwenje, do you want to go out? You will now have to leave! You must withdraw from the Chamber now, Mr. Mwenje.

(Loud consultations)

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

[Mr. Speaker resumed the Chair]

Mr. Speaker: Order, hon. Members! Mr. Mwenje, withdraw from the Chamber as ordered by my brother, Mr. Poghisio.

Mr. Mwenje: Time is up, Mr. Speaker, Sir.

Mr. Speaker: Time up or not, the Chair's order must be respected. There is nothing to be agitated about because our time is up. Mr. Mwenje, I order you to leave the Chamber.

(Mr. Mwenje withdrew from the Chamber)

ADJOURNMENT

Mr. Speaker: Order! Hon. Members, it is now time for interruption of business. The House is, therefore, adjourned until tomorrow Thursday, 27th July, 2000, at 2.30 p.m.

The House rose at 6.30 p.m.