

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 15th June, 1999

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 145

RETENTION OF PERMANENT SECRETARIES/
PARASTATAL CHIEFS IN CIVIL SERVICE

Mr. Speaker: Mr. Ojode! Is Mr. Ojode not here? Next Question!

Question No. 183

MURDER OF HINZANO MWAGANDI

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

(a) whether he is aware that Mr. Samson Hinzano Mwagandi was allegedly murdered on the night of 27th October, 1997 at Chumani in Kilifi,

(b) whether he is also aware that his death came after he was summoned by the area Sub-Chief in the evening prior to his death; and,

(c) what steps he has taken to bring the killers to book?

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

(a) Yes, I am aware that one Samson Hinzano Mwagandi was murdered on the night of 27th October, 1997.

(b) I am also aware that he had been summoned by the area Chief on the material day, but I want to also state that, Mr. Mwagandi was murdered while on his way to the Chief's office. Therefore, he did not get to the Chief's office.

(c) The police did visit the scene of murder and investigations were launched and file No.CR311340 of 1997 was opened. However, so far, no evidence has been available linking anyone to the murder, but the

matter is still pending under investigations.

Mr. Kombe: Mr. Speaker, Sir, the statement that Mr. Hinzano was murdered on his way to the Chief's office is not true. Actually, witnesses say that he was murdered in the Chief's office and then his body was carried and dumped somewhere near a well. Could the Assistant Minister confirm or deny to this House that the Chief was actually involved in the murder of this fellow?

Mr. W. Ruto: Mr. Speaker, Sir, the Member has made very serious allegations. I would request him to assist the police with whatever other sources of information that he has since there is already this file and the investigations are on.

Mr. Anyona: Mr. Speaker, Sir, here is a situation where a Chief asks a citizen to go and see him. I do not know whether the hours for him to see the chief were specified in that order - if it was a lawful order - and then we are told the citizen got murdered. It does appear, therefore, that the Chief was involved in luring this man while the assassins had been instructed to wait for him somewhere. For what reasons did the Chief require this man to appear before him; and what lawful order did he use to do that?

Mr. W. Ruto: Mr. Speaker, Sir, Mr. Mwagandi was actually very well known to the Chief. At one stage

he assisted the Chief with the distribution of relief food. On this material day - I want to dispute what the Member has said - the chief would not have written a formal letter to request Mr. Mwangandi to appear before him because there were stolen items from the Chief's office. Since Mr. Mwangandi was a regular person there, and indeed, did assist the Chief in the administration of the relief food; it is Mr. Mwangandi who, very late in the evening, decided to go and see the Chief. He was murdered a few kilometres from his house.

Mr. Kombe: Mr. Speaker, Sir, I think the Assistant Minister was misinformed by whoever gave him the answer. I would like to inform him that actually, Mr. Mwangandi was summoned by the Chief through an Administration Police Officer, who went to his house. So, Mr. Mwangandi left his home to the Chief's camp and he was murdered on his way there. So, the AP and the Chief know the murderers. Could the Assistant Minister assure this House that he will bring these people to book?

Mr. W. Ruto: Mr. Speaker, Sir, I want to confirm to this House that the Government is making every effort to make sure that the murderers of Mr. Mwangandi are brought to book.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. The issue of cold-blooded murders in this country is increasing at an alarming rate. Last Thursday, a councillor of Ruiru Municipality was killed in cold blood, and now there is total fear in the whole of Ruiru and Juja Constituency. People are fearing that nothing might happen to stop the murders, because many people have been murdered. This is the second councillor of the Democratic Party of Kenya (DP) to be murdered in my Constituency, in less than one year. The first councillor came from Juja Constituency---

Mr. Speaker: Order, Mr. Ndicho! Do you know how far Thika is from Kilifi?

(Laughter)

Mr. Ndicho: Mr. Speaker, Sir, the people of Kilifi District are Kenyans, as well as those of Juja Constituency. But my concern is: Why has the police failed to arrest the killers even after they have been told precisely who the killers are? The hon. Member from Kilifi area has told the Assistant Minister who the killers of that man are. We know the killers of the late councillor for Juja, but when they were arrested by the police, they were later released. Why does the Government go slow when arresting suspected murderers?

Mr. W. Ruto: Mr. Speaker, Sir, regarding the issue raised by hon. Ndicho about the speed with which we arrest suspected murderers, I did say that, on that particular issue of Kilifi, the police have actually carried out investigations. Those investigations are still going on, as I answer this Question. I did also promise that we will---

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. I think you had better save this House from the kind of answers the Assistant Minister has given. The Assistant Minister is telling us that the police conducted investigations, and two years later, the investigations are not complete. Is he not taking us, and the whole nation, for a ride? Let him be serious at least for once.

Mr. W. Ruto: Mr. Speaker, Sir, I am very serious about that issue. I have said that, so far the investigations do not link anyone to the murder. Therefore, we cannot take anybody to court. I had requested the hon. Member who has made allegations about who might have been the murderers of Mr. Mwangandi to take up that matter with the police, because there is already a file which is still open.

Mr. Speaker: Next Question, Mr. Sungu!

Question No. 063

ELECTRIFICATION OF KAJULU AND KOLWA EAST

Mr. Sungu asked the Minister for Energy:-

(a) whether he could consider the Kajulu and Kolwa East and Central areas of Kisumu Town for electrification under the Rural Electrification Programme since these areas are essentially rural though they are categorised as towns; and,

(b) whether he could give a time frame within which the work will be done.

The Assistant Minister for Energy (Col. Kiluta): Mr. Speaker, Sir, I beg to give the following reply.

(a) Yes, I can consider Kajulu, Kolwa East and other under-served areas of Kisumu Town for electrification under the Rural Electrification Programme on the recommendation of Kisumu District Development Committee and if the required funds are available.

(b) I cannot give a time frame within which the work can be done before the relevant projects have been

identified and sufficient funds made available to implement them.

Mr. Sungu: Thank you, Mr. Speaker, Sir. Only recently, we discussed that matter in the Kisumu District Development Committee, as the Assistant Minister is now recommending. We approved certain priorities like the electrification of this area, particularly, the area within Ongandi, where we will have a water catchment for Kisumu Town on the River Awach, and the area around River Kibos, which will also be used for the same purpose.

Mr. Speaker, Sir, electricity is very necessary for industry and for domestic use, as well as for the prevention of crime, because it provides lighting. Now that, that issue has been discussed in the DDC meeting and approved, could the Assistant Minister give a proper time-frame so that we can know when it will be done?

Col. Kiluta: Mr. Speaker, Sir, we have got five projects which have been prioritised from Kisumu, and that project is not one of them.

Mr. Kajwang: Mr. Speaker, Sir, could the Assistant Minister tell us which criteria the Ministry uses to implement the Rural Electrification Programme in certain areas? This is because, as I am standing here, the whole of the so called Suba District has no single metre of electricity and yet we have a District Hospital, schools and the so called District Commissioner's office there. We also have a Police Station there. Can the Assistant Minister tell us the criteria used to implement this programme? Secondly, when will Mbita, also called Suba District, ever get electricity?

Col. Kiluta: Mr. Speaker, Sir, the criteria used is based on the recommendation from the DDC. If the hon. Member brings us his recommendation, it will be considered together with other districts.

Mr. Kajwang': On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is your point of order?

Mr. Kajwang': Mr. Speaker, Sir, anyway, it is a point of information. May I inform the Assistant Minister---

Mr. Speaker: Sit down, now!

(Laughter)

Sorry, Mr. Kajwang'. You do not change your mind half-way. Yes, Mr. Sungu!

Mr. Sungu: Mr. Speaker, Sir, maybe, the Assistant Minister is not aware of the areas which were prioritised. As a member of the DDC, I am fully aware. I am still adamant that these areas were prioritised in the last DDC meeting. Since the Government just prepared the Budget the other day, it must have made provisions for money for the Ministry. Could he now tell us when that work will commence?

Col. Kiluta: Mr. Speaker, Sir, it would appear as if the hon. Member was not fully briefed on what goes in his area. If that is the case, then, there is very little I can do about it.

Mr. Sungu: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to suggest that I am not fully briefed on what is going on in my area, when, in fact, I attend every DDC meeting, and I visited the Kenya Power and Lighting Company offices, and so on? I know what is going on in my area; maybe he is the one who is not aware.

Col. Kiluta: Mr. Speaker, Sir, if the hon. Member was fully informed or briefed on what goes on, then he should have known what they brought to the Ministry as their first priority.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Member for Kisumu Town East to bring this Question to the House, when his party, the National Democratic Party of Kenya (NDP), has a co-operation pact with KANU?

Mr. Speaker: Order! Order, hon. Members! Mr. Sungu, I think you can ignore him. I have given you the authority to do that. I give, generally, the authority to all hon. Members to ask Questions, whether those of KANU, NDP, FORD-(P), or any other party. I do not think that any hon. Member has the right to object to that.

Mr. Gatabaki, next time you co-operate with the ruling party, I may consider not to give you time to ask your Question in the House. Yes, Mr. Otula!

Mr. Otula: Thank you very much, Mr. Speaker, Sir. The Assistant Minister has told this House that there are five projects which are being considered in the Kisumu area. Can he tell the House the amount of money which has been set aside to facilitate the five projects? Can he also tell the House the amount which has been left in reserve and which can be used if and when the Kajulu area will be considered for electrification?

Col. Kiluta: Mr. Speaker, Sir, we have got K£888,000 set aside for this project. Once the first priority is completed, whatever amount will be left, will be passed onto the next project.

Dr. Ochuodho: Mr. Speaker, Sir, you have heard the Assistant Minister say that the priorities come

from the DDC. In Homa Bay District, the DDC resolved that if there is going to be any electricity within this programme, it should go to Ndilu, Rodi and other places within the district. However, when I was looking at the Printed Estimates, electricity has gone to another place which was not even amongst the lists that were given by the DDC. Can the Assistant Minister tell us where this latter name came from and confirm that they did not go as per the DDC recommendations because they do not do it in the case of Homa Bay?

Col. Kiluta: Mr. Speaker, Sir, although that was not part of the Question, it is most likely that the priority was changed when he did not attend the DDC.

Question No.205

DISMISSAL OF KPTC EMPLOYEES

Mr. Gitonga asked the Minister for Transport and Communications:-

(a) whether he is aware that Mr. J.m. Njenga, P.No.62567 and Mr. P.N. Gathe, P.No.85361, former employees of the Kenya Posts and Telecommunications Corporation were unfairly dismissed and were not paid their terminal benefits; and,

(b) if the answer to "a" above is in the affirmative, whether he could order the KPTC management to [**Mr. Gitonga**] pay these employees their benefits without further delay.

Mr. Speaker: Anybody from the Ministry of Transport and Communications? That Question will be deferred.

(Question deferred)

Question No.060

CONSTRUCTION OF BRIDGES ACROSS
RIVER KHALABA

Mr. Wafula asked the Minister for Public Works and Housing when the Government will construct the Khalaba river bridges at points:-

- (i) Kibabii to Lucho; and,
- (ii) Bungoma Town to Munyayi/Chemuche.

Mr. Speaker: Anybody from the Ministry of Public Works and Housing? That Question will also be deferred.

(Question deferred)

Question No.072

CONSTRUCTION OF BRIDGE ACROSS RIVER ATHI

Mr. Katuku, on behalf of **Mr. Wambua**, asked the Minister for Public Works and Housing:-

(a) whether he is aware that there is no bridge to cross Athi River from Kamuthambya area in Kikesa Location to Kyawango area in Mwala Location and people in both areas travel for more than 30 kilometres along the river to access a bridge; and,

(b) if the answer to "a" above is in the affirmative, what steps he is taking to ensure that a bridge is constructed to serve the residents of the said area.

Mr. Speaker: Anybody here from the Ministry of Public Works and Housing? The Question will be deferred.

(Question deferred)

Question No.090

COMPLETION OF KISII-CHEMOSIT ROAD PROJECT.

Mr. Anyona asked the Minister for Public Works and Housing whether he would explain to the House:-

- (a) why the construction of the Kisii-Chemosit Road (C21), which stalled in March, 1998 has not started as stated in the answer to Parliamentary Question No.254 of 12th November, 1998;
- (b) whether the contractor, HZ Construction Company, was paid Kshs24 million by the Treasury to enable him to re-mobilise and resume works by January, 1999 as stated in the answer to that Question;
- (c) why the contractor was paid Kshs115,492,478.40 when the work done was worth much less; and,
- (d) if the Ministry will provide Kshs819,804,445.90 in the 1998/1999 Supplementary Estimates required for the completion of the project and ensure that the road does not stall again and that the contractor continues until the project is completed by the year 2000.

Mr. Speaker: Anybody from the Ministry of Public Works and Housing? The Question will be deferred.

(Question deferred)

Mr. Ojode's Question for the second time!

Mr. Ojode: Mr. Speaker, Sir, I beg to apologise for coming late. However, I have not also received the written reply. The other time you ruled that we must get written replies before the Question is brought before the House. Is that insubordination of the Chair or what? Could you please ask the Minister to give a reply first before I ask the Question?

(Question No.145)

RETENTION OF PERMANENT SECRETARIES/
PARASTATAL CHIEFS IN THE CIVIL SERVICE

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

- (a) how many Permanent Secretaries and Parastatal Chief Executives have attained the mandatory retirement age of 55 years;
- (b) whether he could table the names of the said officers and explain what special skills these officials possess to justify their retention in the service; and,
- (c) how much money is paid as their monthly emoluments.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. This Question has come back to this House in less than six months, worded in the same manner and it is meant to achieve some objectives which we do not know.

Hon. Members: Let us hear them!

Mr. Speaker: Order, Mr. Ndicho! in what capacity are you 'prefecting' the Chair?

Mr. Ndicho: Mr. Speaker, Sir, this Question is meant to establish how many Kikuyus are serving in the Civil Service and State Corporations. I am the spokesman of the Kikuyus and I must protect them!

Mr. Speaker: Order, hon. Members! I am getting very surprised. Mr. Ndicho, are you telling the House that Permanent Secretaries and Parastatal Chief Executives are another name for the Kikuyus?

(Laughter)

Mr. Anyona: On a point of order, Mr. Speaker, Sir. If I heard hon. Ndicho correctly, he was saying that this Question was before the House less than six months ago. If, indeed, an answer was brought before the House, then that obviously is contrary to the Standing Orders---

Mr. Speaker: Mr. Anyona, I am very conversant with that. The Question was here, it was not dealt with and it was deferred. So, it was not before the House! Proceed, Mr. Minister!

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, before I came, I actually took the trouble to ensure that the answer to this Question had been dispatched to Parliament. So, if the hon. Member did not get it, then it is not my fault. However, I beg to answer.

(a) Three Permanent Secretaries and 13 parastatal Chief Executives have attained the mandatory retirement age of 55 years as of June, 1999. The officers are as follows:-

Mr. Crispus Mutitu, Permanent Secretary in the Ministry of Energy; Mr. J. Polong, Secretary to the Public Service Commission; Mr. Japhet K. Masya, Clerk of the National Assembly; Mr. S.M. Mureithi, Managing Director, Kenya Airports Authority; Mr. Eliud K. Mahihu, Managing Director, Consolidated Bank; Mr. S.K. Gichuru, Managing Director, Kenya Power and Lighting Company; Mr. Edwin B. Wasuna, Managing Director, KenGen Limited; Mr. S.M. Machooka, Managing Director, Lake Basin Development Authority; Mr. Martin S. Miyesa, Managing Director, Tana and Athi Rivers Development Authority; Mr. S.M. Anabwani, Managing Director, Kenya Broadcasting Corporation; Eng. Philip O. Okundi, Managing Director, Kenya Bureau of Standards; Mr. L.J. Mwangola, Managing Director, Kenya Ports Authority; Mr. George N. Kimani, Chief Executive, Tea Board of Kenya; Mr. M.A.S. Mulandi, Managing Director, Horticultural Crops Development Authority; Mr. E.G. Karanja, Managing Director, Kenya Tea Development Authority; Mr. E.M. Mungai, Managing Director, Cotton Board of Kenya.

(b) The officers are required to retire on attaining the mandatory age of 55 years, but there is a provision in our laws where the Government may retain an officer in service beyond the mandatory retirement age on renewable three-year or less years contract. The above officers have been at the helm of parastatals which are currently undergoing restructuring and privatisation. For the sake of continuity in management through the critical stages in these organisations, the Chief Executives listed above have been retained in the service on contract.

(c) The monthly emoluments of both Permanent Secretaries and Chief Executives of parastatals are of public nature and can be found in open publications such as the Annual Recurrent Estimates approved by Parliament or the annual approved budget for each parastatal.

Mr. Ojode: Mr. Speaker, Sir, it is too absurd for such an answer to be brought before the House where all people can hear. According to the Code of Regulations, G43 says very clearly that "an officer will be required to retire on attaining the age of 55 years unless the Government considers that it is in the public interest." Majority of the people listed above are suffering from health related problems such as poor eye-sight, loss of hearing, high blood pressure, diabetes----

(Applause)

Mr. Speaker, Sir, it is true that diabetes is a very expensive disease to treat; hence they are using these institutions as "insurance cover". The Government alone spends Kshs43 million to treat these old men. Would the Minister explain why it should be mandatory for the Government to maintain these people while using Kshs43 million every year to treat these old men instead of appointing them as chairmen? What kind of "special skills" do they have so that they are maintained in the Government?

Mr. Sunkuli: Mr. Speaker, Sir, I am sorry, I do not have the medical reports of anybody, including the hon. Member's. But I would like to ask the hon. Member to be specific because all these officers are not being retained for being in possession of one particular skill. Each officer is distinct in his own way.

Dr. Kituyi: Mr. Speaker, Sir, perhaps, it could make sense in cases where an officer has been carrying out very exemplary service to the public, and they need him there while re-organising the institution. Could the Minister tell this House what unique skills Mr. Mureithi possesses? He was hired to take over the Kenya Airports Authority, when he was already beyond retirement age.

Mr. Sunkuli: Mr. Speaker, Sir, I am sure Dr. Kituyi knows the credentials of Mr. Mureithi. He is a well known personality in this country. He has served in the security intelligence system of this country and I think that it is not inappropriate at all to hire, for purposes of looking after our airports, a person who has knowledge like that.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. You know, most of the times, I grant the hon. Sunkuli the perception that he is an intelligent person, although he tries to disapprove it sometimes. But how can he stand here and say that a person, because he has been a spy in the past, can be hired to preside over the re-organisation of an airports authority? What does spying have to do with liberalisation of airport services?

Mr. Sunkuli: Mr. Speaker, Sir, I also do always regard Dr. Kituyi to be an eminent citizen of Kenya. He must never refer to our own intelligence people as spies!

Mr. Wamae: Mr. Speaker, Sir, while we agree that special skills may be necessary to hire certain people, does the hon. Minister not consider that, if we have those people at the top level, there must be many other people below, who have also reached the retirement age? Those people are blocking the young graduates and other people from getting jobs in the system!

Mr. Sunkuli: Mr. Speaker, Sir, I want to agree with the hon. Member. In fact, it is not a trend that we intend to follow. Most of those officers are under contracts which will expire either next year or the year to come.

So, we hope that it is not a trend that we intend to adopt in future.

Mr. Kajwang': On a point of order, Mr. Speaker, Sir. Is the Minister in order to give us an answer which is not quite sufficient? He says that they are retaining them for certain different reasons. He has not told us "So-and-so will be retained because of this! Mr. Mutitu will be retained because of this! Mr. Masya will be retained because of this, and for a period of so long!" He should come here and tell us why each one of them should be retained. This way, we would know what we are talking about!

Mr. Speaker: Mr. Kajwang', may I ask you: In your imagination, how long would that process take?

Mr. Kajwang': Whether it takes a year, that is alright!

Mr. Speaker: That, I would not accept.

Mr. Kapten: Mr. Speaker, Sir, 35 years after Independence, surely, we must have Kenyans who are under the age of 55 years, and who are able to perform those duties. Is the Minister telling us the truth, when he says that those people possess special skills? Does it mean there are no other Kenyans who are under the age of 55 years and who can perform the duties that are assigned to the parastatal chiefs?

Mr. Sunkuli: Mr. Speaker, Sir, I have taken the criticisms of the hon. Members in good faith. I am saying that in so far as the contracts are concerned, we will be very careful not to extend the people's retirement age.

Mr. Sifuna: Mr. Speaker, Sir, arising from the Minister's reply, and in view of the fact that we have so many graduates in this country, and the Government is seriously retrenching civil servants, could he cancel the contracts of those people and employ the new graduates or their deputies to take over, instead of wasting time?

Mr. Sunkuli: Mr. Speaker, Sir, the hon. Member does know, although he is not a lawyer, the implications of a contract.

Mr. Sifuna: On a point of order, Mr. Speaker, Sir. With due respect to my hon. friend, I do not need to be a lawyer in order to know that! I am a qualified chartered accountant and I know each and everything which is happening here! So, when he tells me that I am not aware because I am not a lawyer, is he in order?

An hon. Member: Mjinga!

Mr. Sunkuli: Mr. Speaker, Sir, actually, I did say that the hon. Member is aware. In fact, I did not know that he is an accountant. Now that I know, I know that he is certainly aware of the implications of terminating a contract. I am not undertaking to cancel the contracts, but my undertaking to the hon. Members is that, future contracts will be given only after exercising caution and real discretion.

Mr. Gatabaki: Mr. Speaker, Sir, could the Minister tell the House what criteria the Government uses in appointing Cabinet Ministers like Lotodo and---

(Laughter)

Mr. Sunkuli: Mr. Speaker, Sir, I hope the hon. Member for Githunguri is not suggesting that there is no criterion. But certainly, it is not for the same reason that hon. Ndicho had just given.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. Could the Minister clarify why he has put my name in-between hon. Gatabaki, hon. Lotodo and myself as the spokesman of the Kikuyus? He is not a Kikuyu for me to talk on his behalf!

Mr. Speaker: Hon. Minister, why hon. Ndicho?

Mr. Sunkuli: Mr. Speaker, Sir, hon. Ndicho had another occasion to comment on the list that I had given. I am saying that, that is not the criterion that we adopt.

Mr. Keynan: Mr. Speaker, Sir, it is disheartening to note that we are sending a very bad message to the youngsters of this nation. When we were in school, we were being told that we are leaders of tomorrow. But today, the old leaders are not retiring. What is going to happen to the youngsters? How are they going to know that they will be given a chance to lead tomorrow? Even in politics, people retire! Is it in order for us in the position of leadership to mislead this House when we know that those people are individuals who have strived for years to make sure that they do not have assistants so that they can remain on top! I think we have to speak out because in most of these institutions, they have no assistants for years. They also make sure that those who are qualified and are below them are dismissed, and we give them contracts! Can all of them be dismissed immediately and employ graduates who are qualified? Most of them are senile, anyway!

Mr. Sunkuli: Mr. Speaker, Sir, like the hon. Member, I also belong to that generation. The new message is that this is not going to be the trend. The officers here are under contract and as soon as their contracts expire, the new generation will take over.

Mr. Ojode: Mr. Speaker, Sir, it is quite true that those who are still retained within the Civil Service

have godfathers. That is why they are still in the Government. You remember Mr. Tsola who retired five months ago? He went straight to his Taveta District because he did not have a godfather! Could the Minister confirm or deny that those who are still within the Government are people who have godfathers? Could he also tell this House what he is going to do with the university graduates who are graduating now? What policies does he have? When is he going to employ them?

Mr. Sunkuli: Mr. Speaker, Sir, I have already given this House and the hon. Member an undertaking that as soon as the contracts of those people expire, those graduates will be employed.

Mr. Ojode: On a point of order, Mr. Speaker, Sir. It is true, and the Minister knows this very well, that each and every individual was given a contract on his own. Could the Minister confirm that he is going to cancel all the contracts for those who have attained the age of 55, in order to absorb the university graduates who are now tarmacking?

Mr. Speaker: That is a supplementary question! I think I will hear Martha Karua as the last one!

Ms. Karua: Mr. Speaker, Sir, could the hon. Divorcee tell us---

(Laughter)

Mr. Speaker: Order! Order!

Mr. Speaker: Order! Order! For Heaven's sake, do not bring your titles to the House. Will you leave other issues and please concentrate on the matter at hand?

Ms. Karua: Mr. Speaker, Sir, I will follow your advice. Could the Minister tell us exactly when the contracts of those individuals will expire so that we know when to expect new appointments?

Mr. Sunkuli: Mr. Speaker, Sir, I have the expiry dates of the contract of each of these officers. I do not know whether the House wishes me to read them out?

Mr. Speaker: Order! How many are they? I do not know whether it is important.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. Going by the mood of the House---

(Loud consultations)

Mr. Speaker: Order, Dr. Ochuodho! You see you are not a barometer of the House. I, probably, am and, not you. I gave you a chance to raise your point of order. The reaction of hon. Members notwithstanding, you have the right to say what you please. What was it?

Dr. Ochuodho: Thank you, Mr. Speaker, Sir. You have heard the Minister say; "under certain conditions". Those officers have got special attributes. We know amongst them are people who have been blacklisted. For example, PAC has recommended that in the public interest they should never again hold any public office. I think it would only be proper that you direct the Minister to table the exact date and the reasons.

Hon. Members: Read out those details!

Dr. Ochuodho: Or read out those details. I think it is important that we know them.

Mr. Speaker: Dr. Ochuodho, that is a suggestion! Do you have any response, Mr. Sunkuli.

Mr. Sunkuli: Mr. Speaker, Sir, I would like to say---

An hon. Member: Soma haraka!

Mr. Speaker: Mr. Sunkuli, if you have to comply with their request, it is really up to you. Maybe, the best thing is not to read, because it will take such a long time. You may lay the list on the table.

Hon. Members: No!

Mr. Sunkuli: Mr. Speaker, Sir, it is not a neat document that I can table. But I can read some of them.

Hon. Members: All of them!

Mr. Sunkuli: Mr. Speaker, Sir, Mr. S.K. Mureithi is under a contract which will expire in the year 2002; Mr. Wasuna is under a contract which will expire in July 2002; Mr. Anabwani is under a contract which will expire in May 2000; Mr. Philip Okundi is under a contract which will expire in 2000. Mr. Mwangola is under a contract which will expire in December this year while Mr. G.M. Kimani is under a contract which expires in April next year. Mr. A.F. Mulandi is under a contract which will expire on 6th August, this year and Mr. E.M. Mungai is under a contract which will expire on 19th November, 2000.

An hon. Member: What about their details!

Mr. Sunkuli: I was still in the process of compiling this information. Unfortunately, if hon. Members want to know details of the other officers, I will provide them next time.

Mr. Speaker: Very well!

An. hon. Member: What about Masya!

Mr. Speaker: Order! You are totally out of order!

Hon. Members, you know we have a Motion and the Business proper must begin not later than 3.30 p.m. I had three Questions that were not answered because the Minister for Public Works and Housing was not here. I am constrained to defer all of them to tomorrow.

Hon. Members: Why?

Mr. Speaker: Order! As I have said, if you look at your Order Paper--- I want all of you to look at the Order Paper. Before we go to the Business, we have a Procedural Motion and the Business proper must begin not later than 3.30 p.m.

Hon. Members: Why?

Mr. Speaker: Those who do not know why, please, refer to the Standing Orders. So, I will defer those Questions and request the Minister for Public Works and Housing that, just for his information, to realise that he came in, there were interjections by hon. Members that the Minister for Public Works and Housing is never present during Question Time. So, you had better note that. So, all of them are deferred to tomorrow; some in the morning, if it is possible, and some in the afternoon.

PROCEDURAL MOTION

LIMITATION OF DEBATE ON THE ANNUAL ESTIMATES

The Vice-President and the Minister for Planning and National Development (Prof. Saitoti): Mr. Speaker, Sir, I do beg to move the following Procedural Motion.

THAT, the following limitations shall be applied to the business of the Annual Estimates:-

- (i) Each speech in the debate on the Financial Statement on the Annual Estimates shall be limited to ten minutes, excluding the Mover's speech and reply which shall not be limited; and the Leader of the Official Opposition or the designated official spokesman who shall be limited to 30 minutes.
- (ii) On the Motions "That, Mr. Speaker, do now leave the Chair" to enable Ministers to initiate debate on policy, the Mover be limited to a total of one hour; half an hour for moving and half an hour for replying to the debate; 30 minutes for the Leader of the Official Opposition or the designated official spokesman; and that all other Members speaking be limited to ten minutes, provided that one hour before the Question of the Vote is put, the House shall go into Committee and the Chairman shall put every question necessary to dispose of the Vote then under consideration and shall forthwith put severally the Questions necessary to dispose of the Vote.
- (iii) Each speech in the Committee of Ways and Means and the Committee of Supply shall be limited to ten minutes.

I do believe that hon. Members are already aware of the purpose for which this Procedural Motion has been brought here. Indeed, it has been a ritual. Every time the Budget is read in this House, the period the debate on the Budget takes is usually seven days. Time is limited in order for all hon. Members to have an opportunity to deliberate on this Motion. Each hon. Member is given 10 minutes to contribute to the Motion except for the Mover of the Motion, who moved it on Thursday last week. So, time for the Mover is not limited now. The Leader of the Official Opposition or designated person will have 30 minutes to put across the position of the Opposition side. May I also say that---

Mr. Muchiri: On a point of order, Mr. Speaker, Sir. The Leader of Government Business is exactly repeating what is on the Order Paper. Could he proceed further than that?

Mr. Speaker: Order! Mr. Muchiri, let hon. Members debate the way they know best. Proceed Prof. Saitoti!

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): Thank you, Mr. Speaker, Sir. I could very well have come here and bowed, but I thought that it was actually important to say why the House Business Committee saw it fit that this Procedural Motion be brought here. Why are the limitations being preferred to this House? The Financial Statement is, indeed, the speech which was given by the Minister for Finance. The speech is limited to seven days. Each hon. Member is given 10 minutes to contribute to the Motion. The Leader of the Official Opposition, or the designated official spokesman, is allowed to contribute to the Motion for 30 minutes. Again, 10 minutes will be given to all hon. Members, who will contribute to the Motion, including

the Motion on the Vote on Account. After that we will go to the Committee of Supply, where we will discuss the Budget for every Ministry. The Minister who shall initiate the debate shall have an hour to move and another one to reply. Every hon. Member will have 10 minutes to contribute to the Motion, and later on, we will discuss the Finance Bill. All these matters are related to each other. This is why the limitation is necessary. Therefore, there ought to be a great deal of limitation.

Mr. Speaker, Sir, I do beg to move.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. Before the Motion is seconded, I find an ambiguity in the Motion which is being presented before us. When the Minister for Finance moved "That Mr. Speaker do now leave the Chair," we were already in the Committee of Ways and Means. That is rightly provided for in part one of the Motion, which says that all of us do not speak for the same period of time because some hon. Members have been allocated longer time than others.

Mr. Speaker: Dr. Kituyi, can we have the question before the House?

Dr. Kituyi: Mr. Speaker, Sir, I have pointed out a defect in the Motion.

Mr. Speaker: Order! Dr. Kituyi, the point is that until the question has been proposed by the Chair there is really no issue before the House. So, you have been labouring a no point because there is nothing before us. So, can you wait until the matter is before us?

The Minister of State, Office of the President (Maj. Madoka) seconded.

(Question proposed)

(Loud consultations)

Mr. Speaker: Order! Order, hon. Members! Is it not possible for the House to understand the question which is being proposed? Can you give me only half a minute? Normally, I do not speak. Please, bear with me.

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. I know it is normal to first of all accept the Procedural Motion as set out in parts one and two. This means that in the Committee of Ways and Means and Committee of Supply, the rest of us will speak for 10 minutes, but certain hon. Members do not speak for 10 minutes. But part three negates the Motion in part one and part two. This is so because what we are seeking is the differentiated time allotted during the Committee of Ways and Means in part one and Committee of Supply in part two. This is negated by part three, which is asking for 10 minutes for everybody. Therefore, provision No.3 is superfluous and contradicts provisions Nos.1 and 2.

Mr. Speaker: You may have a point, but I will look at it critically. If I find that you are right, I will just ignore it.

(Laughter)

Mr. Anyona: Mr. Speaker, Sir, I think that is correct. This is because normally, the two items are taken separately, but there is no harm in consolidating them. However, part three of the Motion does negate part two. I would like to say that there is something new in the formulation of the Motion which is, and for the first time, the position of the Leader of the Official Opposition Party is being recognised. It is something we have been fighting for and I am glad that it has come through without us having to move an amendment to the Motion.

However, I would like the Leader of Government Business to explain to us why the Leader of the Official Opposition is given half an hour to reply to a debate that took more than two hours. We are trying to establish equity here so as to be able to respond to all the issues. It is the Leader of the Official Opposition, who is in a position to respond to all the issues, and yet, he is only given 30 minutes. We would like to have an explanation on that. In future, we will want equity in this matter. In the case of part two of the Motion, the Minister is again given one hour while the Leader of the Official Opposition is given half an hour. What is the idea behind this? I thought the idea was to hear what this side has to say so that we can put the views together and get out the best product we can.

Mr. Speaker, Sir, with those few remarks I would like to support the Motion.

An. hon. Member: You are right, Mr. Anyona!

(Question put and agreed to)

Mr. Anyona: On a point of order, Mr. Speaker, Sir. How are we going to proceed and yet, you have

indicated that, in fact, it does contradict part two of the Motion? Now that the House has made a resolution, are we not required to amend that resolution, so that Section 33 is removed? How are going to do it?

Mr. Speaker: Mr. Anyona, what I have said is that I was not quite sure whether Dr. Kituyi was right. But in the event he is, then, I will address that issue. But now, I have to have the resolution. If he is wrong, then we proceed the way it is.

Dr. Kituyi: Mr. Speaker, Sir, I seek guidance from the Chair. Since we have passed an unqualified resolution here, number three, that "Each speech in the Committee of Ways and Means and Committee of Supply shall be limited to ten minutes," then, when the Minister for Finance speaks during the Committee of Ways and Means, you must limit him to ten minutes.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): On a point of information, Mr. Speaker, Sir!

Mr. Speaker: Yes?

The Vice President and Minister for Planning and National Development (Prof. Saitoti): Mr. Speaker, Sir, perhaps, at this stage, I had better draw the attention of this House to the fact that there are really three basic steps that we are deliberating on. The first one has to do with the debate on the Financial Statement. Let me just explain it; if you do not want information do not ask the question. The first one is the Financial Statement; that is, the Budget Speech. Number two is the Committee of Supply stage during which we will deliberate on the individual Ministerial Votes. However, as soon as we dispose of the first Motion on the Financial Statement, there is usually the Motion which is normally deliberated within one day or two days, which talks about taxation measures. Now, the Committee of Ways and Means takes an extremely short time. So, that one can be disposed of when the Minister comes and moves it within ten minutes and every other Member will do so. Incidentally, that one, in the Committee of Ways and Means which takes a very short time, the content of it is basically embedded in the first Financial Statement. So, there is no contradiction.

Mr. Speaker: Order! Order, hon. Members. Let us get this clear. First of all, Members must understand that under the Standing Orders, we had imposed certain limitations to debate making sure that no Member takes more than half an hour. It is the right of every Member, therefore, under the current Standing Orders to speak for up to 30 minutes. So, if you multiply 30 minutes by 224 or 223 rather, excluding the Speaker, you will get very many minutes allocated for the Financial Statement, for example. Therefore, it was deemed necessary to curtail the Members' rights on Financial Statement to the time proposed, except for the Government spokesman and the Leader of the Official Opposition. So, we cut down the time of everybody, so that we can have as many Members as possible, contributing on the Financial Statement. That, I understand, with regard to what number one is all about. Number two is on the Votes. Each Minister will make a presentation of his Ministry and without this resolution, every Member speaking has a right to speak for 30 minutes and since the House realised that Members are interested in contributing to the various Votes which are, under the Standing Orders, given a maximum of two days, including the day of presentation and reply during the Committee of Supply stage. Therefore, it is necessary to enable as many Members to participate, and hence a limitation. That is what is done under two. Part three concerns Committee of Ways and Means dealing with taxation, provided for, under the Standing Orders, which has been given seven days. Now, if you have each and every Member of the 223 speaking for half an hour, it is humanly impossible to get more than two or three Members to speak. Therefore, it is also necessary to curtail the Members' rights when we come to the Committee of Ways and Means to discuss taxation, to allow as many Members as possible to contribute. That is why we have three parts. I think you all understand.

Next Order!

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 10.6.99)

(Resumption of Debate interrupted on 10.6.99)

(First Day of Budget Debate)

Mr. Speaker: Well, the matter has already been proposed and seconded. Is the Leader of the Official Opposition ready? I always give him the first priority. If he is not, any other Member---. It is your time, Mr. Mwiraria or you forfeit your right? Would you like to contribute, Mr. Mwiraria?

Mr. Mwiraria: Mr. Speaker, Sir, I apologise for coming late. I would like, to first and foremost, thank my old friend and colleague, the Minister for Finance, for his first Budget presentation and make a few remarks before I support it.

Mr. Speaker, Sir, I would like first and foremost, to say that a lot has been said about the Budget being a poor man's Budget. I want to begin by disagreeing totally with that statement for the following reasons:

Mr. Speaker, Sir, the Budget gives with one hand and takes away with the other. I am sure the Minister will agree that once you lower the VAT by one per cent and once you perhaps, increase the amount---

(Loud consultations)

Mr. Speaker: Order! Order! Order, Mr. Minister! Order, hon. Mwiraria! Budget is a very serious issue. I am not going to be very kind to Members, who will make it impossible for us to follow. So, hon. Members, you will disrupt his speech at your own peril.

Proceed.

Mr. Mwiraria: Thank you, Mr. Speaker, Sir. I was saying that the little benefits that the ordinary mwananchi was likely to get from the reduction of VAT by one per cent will be more than off-set by the increase in the price of petroleum products by one shilling and to a very large extent, for those poor farmers who grow cash crops, by the reintroduction of presumptive tax, even though at two per cent.

Mr. Speaker, Sir, the hon. Minister knows that by increasing the price of fuel, there will be resultant increases on transportation costs which will lead to increases in prices of most goods and as a result, to an increase in the general cost of living for the poor man.

In addition, the Budget introduces what I consider, perhaps, the most unfortunate price increase, on kerosene. Kerosene to many is the only source of energy for cooking. It is also the only source of lighting at night. Most of our children have got to do their homework using little lamps made out of tins. Once you increase the cost of kerosene you have totally disabled these young people. You have increased their cost by a large margin. Perhaps, the only people who are likely to benefit are the rich because they can afford the price increases on fuel and the resultant price increases on other commodities. What is even more important, by allowing our companies to pay only 30 per cent as co-operation tax, you are giving them a lot of money to increase the salaries of their executives. I would like to differ with those who called the Budget, a Budget for the poor man and instead call it a Budget for the rich. I hope that was not the intention of the hon. Minister.

My second point is that this Budget cannot be called credible. My reason for making this remark is that the Minister is aware that today the Kenyan economy is bleeding from what I can call self inflicted wounds which directly come from the way the Government spends its money. We have a litany of reports which clearly show that in the past a lot of resources have been wasted. A lot of Government funds have been wasted in various Government Ministries through payments for non-received goods, services or work not completed, second hand goods whereas the Government had ordered brand new goods, direct theft like the recent one at the Government Printer where money was paid for goods which were not delivered and so on and so forth. The Public Accounts Committee Report abounds with recommendations that officer so-and-so is not fit to be a public servant because of his conduct, his inability to control or misuse of Government funds and yet in the whole Budget Speech although there is a small section talking about improving economic governance the recommendations made therein fall far short of what you would have wanted to see.

In the Budget Speech the Minister talked of establishing a follow-up unit in the Ministry of Finance so that PAC and PIC recommendations can be implemented. He talked about preparation of yearly performance and financial reports. He talked about the need to strengthen the tender boards and procurement procedures. Finally, he wants to introduce finance officers in all Ministries. To me this is a list of things which are not likely to be implemented. We had a similar list last year, when we were promised that each Ministry would have a financial controller. There is not one in any Ministry as of today. The question I want to pose to the Ministry is: Why did he not consider it necessary to give teeth to the Controller and Auditor-General, the PAC and this Parliament and the PIC? Why, for instance, is there no relationship between the work done by these three institutions; Controller and Auditor-General office, PAC/PIC and the work of the Kenya Anti-Corruption Authority?

I was quite happy to read that the Minister intends after a study to see how to strengthen office of the

Controller and Auditor-General. Surely, the Ministry of Finance is fully aware of what it has been doing. The Controller and Auditor-General has got two functions; to control issue of funds from the Consolidated Fund and to audit Government accounts. On one side he has been rendered completely impotent in the controlling aspect. The Minister of Finance knows that the controlling aspect has been bypassed because the Government overdraws the PMG accounts and keeps on overdrawing until they are able to come to Parliament to get Supplementary Estimates. Why is the Government silent on what the Minister intends to do to obviate this problem?

The other issue is that today the audit reports of the Controller and Auditor-General are of historical value. They are more than two years behind. When they are submitted to the PAC and the PIC they are really of historical value. This is happening because as many of us who were here in 1994 will remember, the Government of the day went out of its way to remove all the qualified and experienced staff from the Controller and Auditor-General's office. If we really want to improve the budgeting of this country and bring about discipline in expenditure, we must strengthen the Controller and Auditor-General's office. We must bring in legal machinery which will make it impossible for the accounting officers to avoid going through him before they get funds for expenditure by borrowing from the PMG. We must also de-link the Controller and Auditor-General's office from the Civil Service because if he had been with his own staff he would not have been disabled as he was in 1994 when all his senior men were removed.

Mr. Speaker, Sir, the other point that I would have wanted to see in the Budget would have been proposals from the Minister on how he intends to make Accounting Officers accountable transparently, so that once they get the job, they know that they are accountable. They have got to be transparent because there is nothing to hide and they will have to stop spending money they do not have, as they are doing today. They will have to stop holding bills; spending money, keeping bills hidden until the next financial year. This is the because of the pending bills which today stand at Kshs14 billion. They will also have to stop overdrawing the Pay Master General (PMG) account. This can only happen, if and only if, the Minister establishes mechanisms of bringing to book errant Accounting Officers.

Mr. Speaker, Sir, I want, with humility, to make recommendation to the Minister. Since he has already undertaken to review and examine ways of strengthening the Controller and Auditor-General's office, my first suggestion is that, in the future, let the Controller and Auditor-General be answerable to Parliament so that the Parliamentary Service Commission can appoint the staff of the Controller and Auditor-General so that they are not touched by anybody in the Civil Service, as it happened in 1994.

I would also like to recommend strongly that, in future, the audit function of the Controller and Auditor-General should not to be limited to the work of auditing accounts which have been prepared and completed, although that must be done. There ought to be another function of the Controller and Auditor-General of issuing quarterly reports on how the Budget is being progressively implemented, so that if a Ministry goes off target, that situation can be arrested before the end of the financial year and before a lot of damage is done.

Mr. Speaker, Sir, I have made this point of improving economic governance because I thought I would use the opportunity to show one reason why it is so important for this country to review its Constitution at this stage. We know that the current Constitution was amended to remove the security of tenure for the Controller and Auditor-General. I have already said that, the Controller and Auditor-General is at the mercy of his Civil Service boss who can move his staff in and out and thus disable him completely so that he does not do the proper accounting. One of the reasons why we make laws is to take care of situations which have arisen. In Kenya, we have seen a government which deliberately goes out of its way to defeat Constitutional provisions in as far as financial control is concerned. That is why the Government has been overdrawing the PMG account because they know that the Controller and Auditor-General will not know whether they are doing it or not. This is a matter which cannot be left unattended to and it must be addressed as we look forward to the Constitutional Review process. It is something which has happened before and it can happen again. We have to stop it. I am, therefore, appealing to the Minister that, when this matter for the constitutional review comes up, he should even be at the forefront fighting for the amendment of the Constitution, not only to move the Controller and Auditor-General from where he is today and put him under Parliament, but also to make sure that his staff cannot be removed by anybody else other than an impartial commission. Here, I would humbly suggest that, he should come under the Parliamentary Service Commission.

Mr. Speaker, Sir, my third point relates to the rationalisation of Ministries. The Minister was kind enough to mention it in his Budget Speech but, it was mentioned last year and the year before and nothing happened. I do not want to believe that our President is impervious or is incapable of understanding reason. Has the Minister got the guts to tell the President that we do not need so many Ministries; that we can do with 15 Ministries or less? It does not make sense, if you are growing oranges to remove the peel and keep it separately and have the orange on the other side; particularly when you are not going to eat it then.

Mr. Speaker, Sir, recently, Kenya Wildlife Service (KWS), which used to be under the Ministry of Tourism was removed and put under the Office of the President. The Office of the President appears to be a depository of all the departments in which there is land to grab and where, perhaps, contracts can be signed so that the officials can be corrupt. Otherwise, why, for instance, is the Kenya Airports Authority part of the Office of the President?

The Minister for Transport and Communications looks after aviation. He should look [**Mr. Mwiraria**] after it in its totality. At the moment the Minister will go and argue for landing rights but he cannot control the airport where these planes come to land. Why, for instance, is the Agricultural Development Corporation (ADC), an agricultural institution, under the Office of the President? What is the Nyayo Tea Zones doing in the Office of the President? I have already asked about KWS. When shall we get back to a position where Kenya is going to accept the fact that, if you have the Ministry of Home Affairs, Culture and Social Services, for instance, that Ministry should control internal security, Provincial Administration, Immigrations, Prisons, citizenship registration and so on and so forth?

Mr. Speaker, Sir, I would again say that, a Government which continues disorganising Ministries the way they are at present, cannot be a credible Government.

Mr. Speaker, Sir, let me now turn to the fiscal policy which the Minister mentioned in his Budget Speech. He talked of domestic borrowing which is to be reduced to the minimum so that he can reduce the pressure on the domestic money markets and on interest rates. How does he intend to do this?

Mr. Speaker, Sir, the Minister in the next paragraph tells us that he intends to borrow through Treasury Bonds and use about Kshs12 billion to pay pending bills. Now, that is a direct increase in domestic borrowing. Last year we were told that the domestic borrowing would be brought down. As at March, it was Kshs152 billion higher than it was at the end of July. Now, we have an unbalanced Budget; not that balancing is really critical if the economy was growing, but the question I am really putting to the Minister is: Does he seriously think that his fiscal policy is going to work? In my view, certainly not. But let me put another question. The poor people who are owed these Kshs12 billion are going to be paid in Treasury Bonds; they will get sheets of paper. If I remember clearly, Treasury Bonds are going to be for longer than one year. Well, if I am not remembering it correctly, I shall be forgiven, but let the Minister in his response tell us: What does a businessman who borrowed money four years ago to carry out work for the Government do with Treasury Bond certificates when he needs to pay his workers, his creditors and the people who gave him cement, stones, building steel and so on and so forth? What does he do with it? Is it really fair to them? Maybe, all I can say is that, it is better than not paying them at all. But I must really say on their behalf, I am very unhappy.

Mr. Speaker, Sir, let me now mention a few points on the agricultural sector. It is good that the Minister has protected our products by increasing duty from 15 per cent to 25 per cent. But, the problems which have really crippled the coffee, tea and milk industries have not come from lack of protection from outside goods. They have come from inability by co-operatives to look after the affairs of the companies, the poor state of our roads, the unfair competition we have already talked about, and expensive farm inputs. I would have wanted the Minister to say something about cheap farm inputs. Why does the Budget not reduce duty on these items? The Minister also talks about cheap credit, but he only gives us hope that he will get micro-credit providers. When will this come about? We are very anxious to see our farmers assisted.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Mr. Deputy Speaker, Sir, finally, I was disappointed to see that the Minister has increased the tax on tourism by one per cent. Tax on tourism used to be 12 per cent, but you have moved that bracket up to 13 per cent. This is certainly not the right time for the Government to be increasing taxes on tourism. We want to save tourism.

Thank you.

Mr. Nyachae: Thank you Mr. Deputy Speaker, Sir. First, I would like to take this brief opportunity to commend the Minister for Finance for his Financial Statement. I have gone through it, and I think he did a lot of work in trying to see how best he could tackle the numerous problems that this country is facing. It is difficult for him to satisfy the country, because I think the problems are too many. He needs support from all of us. But as he seeks that support, I think, it is not only support from Parliament, but also from the Public Service, generally.

Mr. Deputy Speaker, Sir, I would like to start by asking the Minister to look at the statement he made about down-sizing of the Public Service. Last year, that statement was made by me, and nothing happened.

Towards the end of the year, I discovered that instead of the effort of down-sizing the Public Service between November last year and January this year, more than 13,000 people had been employed without advertising. How do you down-size the Public Service, when behind the scenes it is being increased? That is the reason why this Parliament was asked to include in its Supplementary Estimates, the wages of these employees. We must be more serious and realistic in what we do when we say we are going to do this or that. The public servants, must themselves support the Minister instead of doing things behind the scenes.

Mr. Deputy Speaker, Sir, on pending bills, the Minister sounded very concerned about pending bills and he quoted a figure of Kshs14 billion which will be processed through some Bonds. The figure the Minister mentioned is not the only amount this country owes without the knowledge of this Parliament. The actual figure is in the books, and I would like the Minister to go through the Report of the task force which was led by Mr. Mule and Mr. John Njoroge late last year and early this year. The figure is over Kshs22 billion. Over and above that, there is money owed to various other bodies like banks which has not been included in the pending bills. These are issues which cause disagreement within Government. These are the issues which caused disagreement between me and certain quarters. As the Minister tackles it, he should tackle it with care, because he might find himself in the oven like myself.

Mr. Deputy Speaker, Sir, these pending bills and Treasury Bonds which are going to be issued--- I would like to know what the Minister is going to do about over Kshs8 billion which has been rejected out of this Kshs14 billion. There is Kshs8 billion which is in dispute, and yet there are certificates confirming that the work was done. What action is being taken against those people who have issued the certificates?

Mr. Deputy Speaker, Sir, I would like to touch on the issue of VAT. I would like the Minister to re-look this issue, because dropping the rate from 16 per cent to 15 per cent is a commendable aspect. But the actual living condition of a person is not improved when you increase the lower bracket from 12 per cent to 15 per cent. What you are actually doing is bringing it under one bracket of 15 per cent. You have dropped it by one per cent, but increased it by 3 per cent. So, in terms of calculation, how do you improve the living conditions of people?

I can see I have very little time, unlike the previous speaker.

Mr. Deputy Speaker, Sir, the Minister did not mention about the problems facing the banking industry, particularly with regard to money lent by the banks to these fellows. This money belongs to the workers! Billions of NSSF money went to the National Bank of Kenya and other banks and then it was lent out. We would like to hear from the Minister how that money is going to be recovered. While we are refusing to repay the loans, the value of the share of the workers' money in the National Bank of Kenya is going down. The value of the workers' money in the National Bank of Kenya has devalued by 50 per cent. That is a very dangerous thing for an ordinary worker who works on the road, in the factories and so on, and he is losing that kind of money. Its recovery is also becoming more and more doubtful. The Minister should tell us what he is going to do about that.

Mr. Deputy Speaker, Sir, on the issue of kerosene, I would like to take the Minister to the villages and to Eastlands in Nairobi, where people cannot afford to use electrical cookers and so on. They use paraffin. There is an environmental issue here. We have been encouraging people to use paraffin for cooking as opposed to "knocking" down of forests to make charcoal for cooking. But when paraffin becomes more expensive, then the people who cannot afford electrical cookers are going to encourage "knocking" down forests to make charcoal and use it for cooking. So, we are actually encouraging the degradation of our forests.

Mr. Deputy Speaker, Sir, I would like to touch on this sensitive issue which has worried us year in, year out; that is, action on criminals who are named in the Public Accounts (PAC) and the Public Investments (PIC) Reports, and in the Controller and Auditor-General's Reports. Those people are mentioned, then Parliament makes recommendations which have become a laughing stock. My personal view is that the promise of the Minister that he will institute a set-up in the Government to deal with this problem is not going to work. He is not going to be allowed to do anything. Let Parliament set up something else to deal with this problem, and to recommend that the criminals be taken to court. I pray that God helps him to live in good health, but come next year, he will have done nothing as far as the recommendations of the PAC are concerned. I tried, and I believe I am more brave than him, and yet, I never succeeded. So, I know the problem involved. I think Parliament should take the bull by the horns and say: "We are not going to be a laughing stock any more. We are here to be the custodians of the people's money, because we are the people who tax them". We are the ones who are supposed to allocate that money. Also, we are supposed to ensure that, that money is used properly. We are actually taxing people in this House and allocating this money, but out there, the money is misused and we become helpless. We must take back that responsibility to this House.

With those few remarks, Mr. Deputy Speaker, Sir, I commend the Minister.

(Applause)

Prof. Anyang'-Nyong'o: Thank you very much, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this Budget debate.

But, first of all, one point I would like to make, which is extremely important, is that we as a former British colony, should discard the tradition by which Budgets have been prepared in former British colonies. The Budget should not be a secret, but it should be a document for proposals of how to get Government revenue and spend it, negotiated between Parliament and the Executive. The public should, as much as possible, be involved in the process of preparing the Budget to the extent that when the document comes to Parliament, it has the input of the business community, the private sector, the civil society, Parliament and other formal organisations, because those are the people from whom the Government will be raising revenue. The Government should be as concerned about getting consensus on revenue generation as it is on the expenditure of that revenue.

This year, the Institute of Economic Affairs, in which I am a director, did hold pre-budget hearings and we are happy to note that some of the suggestions that were made during those pre-budget hearings were in actual fact incorporated into the Budget by my dear friend, Dr. Masakhalia, especially with regard to proposals on the amendment to the Banking Act, and certain laws regarding financial instruments. I do notice that the Minister has proposed in the Budget that bouncing cheques should be criminalised, but that is just one aspect of the laws required about financial instruments.

Mr. Deputy Speaker, Sir, if you criminalise bouncing cheques, that in itself is not enough. It should be made very clear that no Government officer, from the President downwards, should have the power to write a note to anybody to go to the bank to get money on the strength of that note. Once you write a note and give it to somebody to go to the bank and get a loan, that note becomes a financial instrument. Too many such financial instruments have been issued in this country, and that is one of the reasons why the banks are in a mess. The National Bank of Kenya would not have reached where it is with non-performing loans were it not the case that the Chief Executive and other senior Government officials were fond of issuing financial instruments which were illegal and unofficial.

Secondly, Mr. Deputy Speaker, Sir, another form of financial instrument, which is extremely important in our economy, are the so-called title deeds. Many people have got money from the National Social Security Fund (NSSF) and other banks on the basis of allotment letters to land that they do not own, but that has been allotted to them. Then they use those allotment letters as financial instruments as collateral in getting money from banks and other non-banking financial institutions. This is one of the reasons why our financial and banking sectors have been messed up by illegal financial instruments being used by people in the Government. I think the Government should have come up with a very strong proposal for amending the Government Lands Act. It is that Act which gives powers to the President and the Commissioner of Lands, which has, indeed, led to a gross distortion of the money market, and has led to the increase in corruption in our country.

I would like to propose to the Minister for Finance and the Attorney-General---

(Members consulted loudly)

Mr. Deputy Speaker: Order! order, hon. Members in that corner! We have only one Chamber and it is here. Please, if you want to consult, do so very quietly. But if you want to consult loudly, you can do so in another chamber or outside.

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, I wanted to propose to the Minister for Finance and the Attorney-General that, in order to eradicate corruption and mismanagement of funds, we need two types of laws in this country. One of them had been proposed by the Public Investments Committee in the 1994/95 Report, and the Attorney-General did accept to draft a law to that effect. This is what we call "The Economic Crimes Bill". The Prevention of Corruption Act is inadequate and ineffective. The Prevention of Corruption Act does not give the Attorney-General or any other Government Minister, efficient powers to speedily deal with cases of corruption. That is one of the reasons why, despite many reports by the Public Investments Committee and the Public Accounts Committee, and many revelations, in fact, about people who have misappropriated public funds, nothing has been done because there is no adequate law in our law books to give the Attorney-General speedy powers of apprehending these people.

Mr. Deputy Speaker, Sir, that is the reason why we proposed the enactment of an Economic Crimes Bill, a law that will deal specifically with economic crimes such that, if somebody's name is mentioned in the Public Investments Committee as a result of the report of the Auditor-General (Corporations), the Attorney-General will then have powers to speedily institute investigations, and that person will have been assumed to have committed that crime until and unless his name is cleared. This would prevent the current practice, whereby the

Auditor-General (Corporations) comes up with better data on how public funds have been misappropriated. The Public Investments Committee goes ahead and corroborates what has been done through evidence in the Committee and compiles a report that is approved by Parliament and nothing is done. We now want a situation whereby, once a report is approved by Parliament, action is taken straightaway and these people are brought to book.

Mr. Deputy Speaker, Sir, the other law that I think is important that should be enacted by this House, and this is my proposal, is a law that I call "The Rationalisation of Properties Act". Too many people in public positions have misappropriated public assets. Too many people have acquired land illegally in this country. Too many people have been allotted land by the President and the Commissioner of Lands unfairly. A proper law should require that when Government land is being disposed of, it should be advertised in *The Kenya Gazette*, so that all Kenyans know that this land is being disposed of and each Kenyan is given the opportunity to buy that land or be allocated that land. It is illegal, criminal and, indeed, unjust for a single individual to carry a piece of paper called a map to the President or to the Commissioner of Lands and say: "This piece of land is empty and I want to be allocated it", and then he gets a letter signed by the President in green ink, which says: "You have been allotted this piece of land". That is undemocratic, unfair, criminal and ungodly. What we need is a law in this House which says: "All properties thus acquired should be rationalised". This is so that these properties should be revealed and the individuals who have acquired them, prove to the nation that they acquired them legally, rationally or otherwise, and if not, the properties should be returned to the public domain.

Mr. Deputy Speaker, Sir, I have in mind, for example, the Public Investments Committee Report whereby 98 pieces of land were allotted to individuals, then these individuals sold them to the National Social Security Fund (NSSF) at phenomenal sums of money. The Exchequer lost a lot of money. These individuals became rich overnight, without doing anything, and they then used this money to acquire other properties which they then used as collaterals to get loans from the bank which they never paid. This is the kind of person who should be traced through the Rationalisation of Properties Act and be brought to book, so that all these properties that belong to the public domain should go back to the public domain. Unless the Minister for Finance and the Attorney-General do this, you are not going to get the question of financial and monetary discipline correct in this country, because there are too many people who are bloated with unfair riches, and who do not want anything correct and right to be done in this nation. These are the people who will not pay back their loans to the National Bank of Kenya; these are the people who will not make sure that the NSSF uses public savings correctly, and these are the people who will not want the Government Lands Act to be amended by this House. We need a law called "The Rationalisation of Properties Act", which will put things right in this country, so that individual Kenyans will live by their sweat and not by their loot. There are too many people who are high up in this society, living by their loot and not by their sweat. There are too many Kenyans sweating but not having the life that they deserve. We want a Budget and a policy that will make Kenyans live by their sweat and not by their loot.

Mr. Deputy Speaker, Sir, there is one last point. This year's Budget is disappointing. It is disappointing in the following way; that the Government says it wants to have rapid economic growth, but in order to have rapid economic growth, you must encourage people to invest. You must encourage people to reap fairly from their investments. You must encourage people to ensure that life the next day is going to be better. There is no way by which an ordinary Kenyan can be assured that life is going to be better the next day in this country, unless, (a) he knows that his children who go to school will get a job, and (b), he knows that when they are sick or he or herself is sick, he or she will be treated. The Government cannot shun its responsibility of investing adequately in human resources development. The health and education sectors cannot be left to the whims of Harambee. Harambee was introduced in this country to supplement in a very small way, the Government expenditure. It was never introduced to replace 30 per cent of Government expenditure in human resources development. I would like a Budget that relegates Harambee to the place where it was originally meant to be, and gives the Government the full responsibility of human resources development in this country.

Thank you, Mr. Deputy Speaker, Sir.

The Assistant Minister for Agriculture (Mr. Karauri): Thank you very much, Mr. Deputy Speaker, Sir, for giving me an opportunity also to make a few comments on the Budget. I wish to state here that in order for the economy to improve, we must look at our natural resources that normally do not cost anything. If we can harness water from our rivers and rain water; practise irrigation and have sufficient dams, we shall eradicate poverty. This can be done if we are serious and we give these matters a priority. Unfortunately, we do not.

Mr. Deputy Speaker, Sir, even a human resource is one of the best assets if properly harnessed. I am saying this because if, for instance, we have economists in the Ministry of Finance and it looks like the knowledge they learnt at school was for the improvement and innovation towards the improvement of the economy, then it will be wrong to have, for instance, a Permanent Secretary who is a medical doctor in the Ministry of Finance. I

am talking about human resources, which is an aspect that we have forgotten and which I think even the Minister in his Budget should have stressed. In this country, there are technical Ministries that need to be headed by people with the know-how of what generally happens in those Ministries. Without this, it is futile to sit there and see people doing what they want. I am talking of Ministries like the Ministry of Public Works and Housing. If you are not an engineer and you are told about roads, or you are told that they did not do this, or they did not put much of this and whatever was required, you will not understand. There are technical Ministries that need technical people, but not every Ministry. Administration is possible if you have the basic knowledge and you have the ability to be an administrator, but there are Ministries which should be headed by technical people. Examples are the Ministry of Public Works and Housing, Ministry of Health, Ministry of Education and Human Resource Development and the Ministry of Finance. The Minister for Finance is the right person, because he is an economist, but I am saying that, we must generally look at the human resource also and avoid misplacing it.

Mr. Deputy Speaker, Sir, you will hear of a civil engineer with experience, but who is a Deputy Secretary or a Permanent Secretary, which are administrative positions. That is right, but as a Deputy Secretary or Under Secretary when one is a civil engineer, in the Ministry of Home Affairs, National Heritage, Culture and Social Services, then we are wasting that resource. In fact, we are making even education extremely irrelevant in that we are saying that we do not need it. There is nothing then that people learn at school. It is as if you do not go to school, or you go but the result is the same. But I am sure that is not what we are saying. I am appealing to Kenyans to think of utilising human and other natural resources that we have.

I would like to appeal to the Minister for Finance to allocate some of that money that originates from the petroleum levy to research for discovering oil in this country. If we continue to rely on foreign investors to tell us whether we have oil, we shall wait forever, because those foreign investors will only tell us that there is oil when they find it economically expedient to themselves and not to us.

Mr. Deputy Speaker, Sir, when they think the project is viable, they say: "Okay, you can invest in here". We should be able to do some of these things ourselves. We should allocate some of this money for that kind of purpose, and the results that will be realised will be amazing. If we had some money with which to develop ourselves, we might discover oil within a year, instead of relying on others to advise us.

I would also like to say something about corruption. It is very easy to fight corruption. Prof. Nyong'o has talked about making laws to check the malpractice. Many people talk about making laws, such as that which brought the Kenya Anti-Corruption Authority (KACA) into being, *et cetera*. However, laws are not necessary. If one steals and there happens to be proof to that effect, that person must be punished. If this is done, other people will not steal because they will have known the consequence of doing so. So, we do not need to create many laws in order to deal with this malpractice; we only need to act.

I know that corruption started with Kenyans themselves, through their attitudes. From around 1970 up to now, if one becomes even a school headmaster and does not buy a vehicle or build a good house for himself, the community around him will wonder about the kind of person he is. Now, where do such people expect a school headmaster to get the money from, so that he could do those things? They expect you to get money through corruption and stealing. If you become a Minister and fail to contribute Kshs200,000 at a Harambee, you are regarded as useless by members of your community.

So, the people have also encouraged corruption by having the wrong attitude. They believe that once their leaders get good positions in Government, they must exploit them to the maximum. They expect you to contribute large amounts of money at Harambees, and buy expensive vehicles. So, Kenyans must change their attitudes towards their leaders if we are to effectively fight corruption. Without a change of attitude, it is very difficult to deal with the vice. However, as a Government, we must first of all punish those people who have proved to be corrupt.

Corruption does not just mean giving a Kshs100 bribe to a policeman. Doing so constitutes corruption, but it does not ruin the economy. That is just like buying him a *soda* or a cup of tea. That is why bribing policemen is referred to as giving them tea. The corruption we are talking about occurs where a road that is supposed to be murramed or tarmacked is certified as having been completed from the district headquarters when, actually, the work on that road has not even been started.

Mr. Deputy Speaker, Sir, last year, the late hon. Ndubai asked the Minister for Public Works and Housing: "When was the Meru/Mikinduri Road graded?" The answer he got was that the road was graded every year, since 1993, at a cost of Kshs2 million per annum. The Minister gave this answer when we people on the ground knew that no tractor had ever been on that road. The officers misled the Minister deliberately. Today, the said road is not usable, having been abandoned a long time ago. This notwithstanding, a field officer certified that he spent Kshs2 million annually, maintaining the road! This is the kind of corruption that has killed this country's economy. The amount of money that goes into that kind of corruption would have improved many sectors.

Mr. Deputy Speaker, Sir, an hon. Member has already spoken about the need to define the roles of Assistant Ministers. However, let me be bold and say that the position of Assistant Minister in this country must either be redefined or abolished.

(Applause)

I say so because, it is a waste of public funds to have Assistant Ministers whose roles are just to sit in their offices and wait to be sent by Ministers to functions on their behalf, and to answer Parliamentary Questions. Is that good reason enough for having Assistant Ministers? Therefore, their roles must be defined, so that they, too, can work for what they earn. They must be utilised properly in policy making and participate properly in the Ministries' affairs; otherwise, we will continue to waste public funds.

Let me say that I subscribe to the view that there must be a Prime Minister, who will sit in Parliament and be in charge of Government affairs, and a ceremonial President. In this way, the Prime Minister will listen to the people's views. He will listen to the views of the hon. Members of this House, who have the views of their constituents. Hon. Members will act as authorised by their constituents. If the President relies on individuals for information regarding issues, he will sometimes be misadvised. However, if the Prime Minister sits in this House, he will hear what the representatives of the people say.

Mr. Deputy Speaker, Sir, I hope that what the Minister said about importation of cereals during his Budget Speech will be properly implemented. The importation of cereals and other commodities killed this country's sugar industry, and the production of cereals. If those things are not implemented, this country's economy will be ruined further.

Mr. Deputy Speaker, Sir, I support the Motion.

Mr. Sifuna: Thank you very much, Mr. Deputy Speaker, Sir, for giving me this chance to contribute to the Budget Speech. This country has had very many Budgets. I have noticed that during the presentation of the Budget Speech, the Minister for Finance promises heaven, but nothing is implemented in the end. So, Kenyans keep on wondering: "Why does the Government ask the public to provide funds and fail to provide services?" It is the duty of the Government to provide services to all parts of the country. If the Minister for Finance fails to deliver the goods, or to develop my area just because I am in the Opposition, that is a sign of corruption. That is denying the people of Bumula, in Bungoma District, their rightful dues.

For very many years, the KANU Government has been promising various developments in our areas, but nothing has ever been implemented so far. For example, in 1979, the Government proposed to build Kibabii Teacher Training College (TTC). I have kept on raising Questions in this House as to why the TTC has not been completed. Later on, the Government constructed TTCs in other parts of the country, leaving Kibabii TTC behind. The issue of Kibabii TTC is now history.

Mr. Deputy Speaker, Sir, we have very many teachers from various university colleges and TTCs who are jobless at the moment. I am appealing to the Minister for Education to consider employing those graduate teachers. Today, there is a serious shortage of teachers in my constituency, both in primary and secondary schools. The population of this country is very high. If we continue relying on the instructions of the World Bank, that we have to reduce the number of teachers, we shall be setting a very bad example to the young generation.

Mr. Deputy Speaker, Sir, the Government has been urging Kenyans to apply family planning methods and not to have more children than they can bring up or educate. I have then been wondering why we should have so many mushrooming Harambee university colleges in this country when we are unable to give the graduates jobs. It does not make sense for the Minister to tell the graduates to go home after graduation. To do what? They have no farms and they have nothing. It is better for the Minister for Education and Human Resource development to come up with a proper formula and phase out various faculties that are not needed in this country, so that the quality of education that is given in this country can be acceptable everywhere.

Mr. Deputy Speaker, Sir, the Minister for Agriculture last year, or early this year, brought a new technical management team to Nzoia Sugar Company, and he did inform me that the new technical management team would come with Kshs600 million, of which Kshs400 million would be paid to sugar-cane farmers, and Kshs200 million be used to rehabilitate the factory. It is six months since these people took over and nothing so far has taken place, and their salaries are questionable. We thought in the first place that when they were coming, they were coming to pay the farmers. Now, they are changing their minds and saying they do not have the money to pay the farmers. As we are now talking, sugar-cane farmers around the Nzoia Sugar Company, whose cane was harvested three years ago, have not been paid. We are asking the Minister for Agriculture, at least, to do something to make sure that these farmers get their pay.

Touching on the Ministry of Public Works and Housing, roads in Bumula Constituency are all impassable, and I remember that before we went on recess, the Minister for Public Works and Housing promised this House that he would come and look at the roads in my constituency. To date, I have not seen him. The bridge connecting Bumula Divisional Centre and Miyanga was washed away. It is difficult to cross and people are forced to travel 27 kilometres back to Bungoma, if they want to go to Miyanga. Even the bridge connecting Malakisi, the centre of BAT and Mastermind, was washed away, yet the Government does not want to do anything on this road. Their problem is only to come to this House and say: "We want money". When we give them the money, we raise questions in this House and we are told, "when funds become available". Have we refused to give them funds?

This is the leading country in Africa as far as technology is concerned, and the most corrupt again. The only way of getting rid of corruption in this country is to have a one-man-one-job policy and anybody who has attained the retirement age of 55 years, irrespective of his size, colour or tribe, must pack up and go home so that new people may be employed. We have got so many qualified graduates in this country. We hear that half of the doctors in this country are in South Africa. Why? Because of poor pay! And those officers or "big shots" in high positions will never consider giving any increments or incentives to these doctors at all, yet, they use our money to educate these doctors. Therefore, the best way of getting rid of corruption is to establish rules in this country. All of us, right from a councillor to a politician, a chief to the Permanent Secretary, should declare our wealth. If, for example, hon. Sifuna declares his wealth and says he has one wife and Kshs1 million and then, after five years, hon. Sifuna who had Kshs1 million has a billion shillings and 20 wives---

Mr. Deputy Speaker: Order! Hon. Sifuna, is your wife your wealth?

Mr. Sifuna: Mr. Deputy Speaker, Sir, we cannot verify from the two. In the African system you cannot just marry; you have to pay dowry and you pay dowry from your wealth. If hon. Job Omino declares that he had Kshs5 million when he came in and one wife, and now he has Kshs6 million; and hon. Sifuna who had only Kshs1 million now has Kshs1 billion, hon. Sifuna must explain to Kenyans how he managed to have that Kshs1 billion so that we educate other Kenyans on the formula to get Kshs5 billion. There is nobody on earth who was born to die poor. If not, I should be put behind the bar. Otherwise, we keep on talking, from Monday to Sunday, and nothing is being done. I cannot agree that, at the moment, after 37 years of Independence, Kenyans can lack qualified manpower. If someone has attained the age of retirement, why can he not just pack up and go? Why should he apply for the contract terms? The Government must put a stop on this!

Mr. Deputy Speaker, Sir, a good example, again, is the Ministry of Health. Five years ago the Minister started building a mortuary at Bungoma District Hospital. To date, that mortuary has not been completed and we keep on wondering what is happening.

Mr. Mkalla: Thank you very much, Mr. deputy Speaker, Sir, for giving me this opportunity to contribute on this Budget debate.

First and foremost, I would like to take this opportunity to thank the Minister for Finance who has always been available to the Finance Committee whenever we have called him to discuss issues related to finance in this country.

I would like to contribute on the issue of the Budget and when we look at the reduction on the VAT and the Corporation Tax, which, of course, we see has been of benefit to Kenyans, but there is a problem in the increase in the price of fuel. The price of fuel has actually brought more hardships to Kenyans and, particularly, the increase in the price of kerosene. Kerosene is used by the ordinary mwananchi in Kenya. In fact, this is what the ordinary Kenyan uses in lighting and cooking. The way the Budget has been done is such that the prices have gone up, and this will have a devastating effect on the afforestation in this country. We are now encouraging people in the rural areas to cut down the forests so that they can make some firewood. That goes contrary to the requirement that we retain our forests. This particular policy of increasing kerosene prices encourages people to cut down the forests so that they can get firewood.

I would also like to see a situation where the Ministry of Finance introduces a small companies' tax which should be lower than the 30 per cent Corporation Tax which was announced during the Budget Day. This will encourage the small-scale business community, and, as a result of that, we will create employment because there will be more businesses in the country. There will be creation of employment, hence, we will probably reduce the loitering of quite a lot of our youngsters who are doing nothing today because of lack of employment.

There is also need for the Ministry of Finance to ensure that it follows tax defaulters, and that those who evade paying taxes are followed with a view to increasing the revenue which could be well utilised in this country. If we follow the tax evaders, certainly, there will be enough money for infrastructural development, because, today, you will find that Kenya has got the poorest infrastructure. Whereas the Budget has attempted to provide some funds for infrastructural development, I think the biggest problem is those officers who are charged with the responsibility of implementing those

projects. You will find that today, rather than constructing a road with the specifications given, only half an inch of the tarmac is put on that road. Then, when our vehicles move on that road, it is destroyed within two months. This could be a road which should have been used for five or six years. So, it even makes the utilisation of that Fund very hopeless, because the road gets spoilt within a very short time. So, I wish to request that those charged with the responsibility of implementing road construction projects make sure that they do what they are expected to do.

Mr. Deputy Speaker, Sir, I would also like to thank the Minister for Finance, particularly on the issue of tourism. In my opinion, he has handled that issue very well, and those who are in the tourism industry have expressed thanks for the way the Minister has handled the industry. They have given their proposals, and quite a lot of them have been taken into account in the current Budget. However, I would like to make a specific comment. There has been an introduction of a special police unit, in either the tourism or wildlife areas, to protect certain people. I think that has been occasioned by the fact that our security personnel, at the moment, are not well looked after, and that is why we resorted to a special police unit to look after the tourism and wildlife areas. I would propose that we should make sure that our security personnel are well paid and that their welfare is well catered for, so that these officers can, at least, do their job very well. If this is done, the Government will not have to look for additional people to go and do that specialised job.

Mr. Deputy Speaker, Sir, I have also seen a situation where the exports of this country have not grown at the same rate as the imports. I think the question of the exports of Kenya should be looked into more vigorously, with a view to giving subsidies to those goods which we export, so that we can increase the level of exports and, possibly, control the imports. I am concerned, particularly, with the situation where we do import things like apples into Kenya and yet, we have a lot of them in the country. Why does the Government not place tariffs on unnecessary imports, which are messing up our local industries in this country? There must be ways and means of controlling some of the imports so that we do not hurt our own industries in Kenya.

I have also seen the issue of the Rural Electrification Programme in the Budget Speech. I am very happy that the Minister for Finance has allocated some money for that particular Vote. But my worry is the spreading of the electrification programme in the country. There are some areas in the country which have not seen electricity; the areas where people use firewood and kerosene only. For example, in Kinango, where I come from, I do not think that the area people are aware of the electrical lighting system. The Minister for Finance and the Minister for Energy should make sure that, next time, when they are dealing with that issue, we should, at least get some electrical power. That will encourage industrialisation in that area, create employment and bring development to the area of Kinango. I wish to appeal that we should at least, be included as the beneficiaries of the Rural Electrification Programme, so that we can also become developed like other parts of this country.

Mr. Deputy Speaker, Sir, if I comment on the pending bills, I think the amount of the pending bills is bigger than the Kshs14 billion which has been quoted in the Budget Speech, because there are certain bills which we believe have not been included. Those bills are like for the Fourth All African Games, which took place some time back. We will be requesting for details of all the pending bills in our Finance Committee so that we can re-look at those bills and see whether every bill has been included, with a view of making sure that those bills are cleared once and for all.

I would also like to comment on the question of water. As an hon. Member commented here, the situation of dams and water supply in some areas of this country is pathetic. In fact, you will find that there are a lot of problems during the dry season. You will find that some people have no water, and women have to walk very long distances to go and fetch water; maybe, more than 20 kilometres. That is happening in my Kinango Constituency. I would have wished to see a well planned and well spread dam construction system, or of water catchment areas, in the Budget Speech, so that, at least, water is well harvested in the dry areas. I would have wished to see a situation where the development of this country is not skewed. Development should be well spread in the entire country. In this particular case, I am referring to my constituency, where we have no water, whether piped or dam water. So, I am appealing for the construction of dams, and for any assistance, through the budgetary process, to make sure that there is adequate provision of water within my area, so that we are able to probably improve our agricultural systems.

Finally, I would like to comment on the position of the Controller and Auditor-General of this country. I think there is need to separate the functions of the Auditor-General, and those of the Controller. In some other countries, the Auditor-General is an appointee of Parliament and is answerable to it. So, there is neutrality in his or her work. The Controller is a civil servant; he or she is supposed to monitor the expenditure of the entire country. Then once something has been decided

upon, the Auditor-General is able to report to the House. At the moment, our system is such that the Controller and Auditor-General is not an appointee of this House. I think that is an anomaly. I would like to see a situation

where the office of the Auditor-General is made separate from that of the Controller so that the two functions are not put under one person. Then, the Auditor-General should have security of tenure, so that he or she can do his or her job without any problem. Also, the Controller should have security of tenure. He or she should have the freedom to do his or her job within a given time-frame without any worry.

With those few remarks, I wish to support the Motion.

Mr. Kibicho: Mr. Deputy Speaker, Sir, the Budget of this year apparently attempts to address the situation which is prevailing, namely, the protection of our industries from dumping of goods, and also some encouragement, so that the industries can do better than they were doing before. However, unless the Minister for Finance puts into place tariffs to prevent dumping of goods and unfair competition from subsidized imports, his budgetary proposals will come to nought. For a long time, the Minister for Finance has been enjoying the powers to suspend duties and impose them, so that people may not prefer imported goods, but that system has failed completely. I suspect it was because either the officers in the Ministry of Finance were not serious, or they were not equipped with proper information. This is because, for example, an item is imported and a similar item is produced locally, but those in the Ministry of Trade and the Ministry of Industry, or in the Treasury, or in the Central Bank, do not do proper research to establish the costs of those items and impose duty. They could have put duty which would have made it impossible for these items to compete with our items which are locally manufactured.

The situation we have in Kenya today is such that our factories are either closing down or operating under-capacity, or they are about to collapse completely. These include important industries like the Bata Shoe Company in Limuru which has been there for a very long time. What is sad is that the Minister for Finance did not find it necessary even to have a proposal to protect that particular industry, and we also know that it is the same with our crops. It therefore means that those who are charged with the responsibility of formulating policies and collecting data are not serious, or are not properly trained in research work, so that they can come into conclusions based on facts. If this is left to happen, Kenya is going to be a country without industries.

For a long time, Kenya has been a leader in local industries, but the tendency which is developing, unless it is checked is that, our industries are going to close down, and we are not going to create employment for our people. All the industries which would have been used as a base for the reduction of poverty are going to close down and we are not going to be there. One of the reasons for this state of affairs is that those who manage our State affairs are not competent. There is mismanagement everywhere! Until this Government addresses itself to the issue of management, which is also political, the situation will continue and Kenya will not move anywhere. Why do we have a situation whereby our managers in the Government are not competent? This is because people are getting jobs because of nepotism and god-fathers. This must stop! The salaries of civil servants and heads of parastatals are very small and they are interested in these jobs because of kick-backs and corruption. Until that time when corruption is wiped out, this Government will be coming to this House with Budgets which will never have any positive effect on the society as far as the reduction of poverty is concerned.

Mr. Deputy Speaker, Sir, it is very clear that unless the Constitution of Kenya is looked into afresh and proper instruments are put into place, these issues are going to continue and we shall continue complaining, and no change will come about. It is very sad that when Kenyans were about to get confidence with the process which they were to own and control, somebody comes up with a suggestion that the process should come back to this House. This process was about to bring some confidence to Kenyans, and I urge those who think like him to consider Kenya and decide whether Kenya is more important than them, or they are more important than Kenya. You can see what happened when this statement was made. The confidence which the people had has been eroded! There is no confidence! We want the Constitution to be debated and to be reviewed by Kenyans, because Parliament is a creation of the Constitution. The Constitution is owned by Kenyans, and it is not owned by the Presidency or this Parliament. It is only within this process that the weakness of this governance shall be known. It is also through this process, where the people are involved, that Kenyans will come up with practical solutions to eradicate the evils that have affected this society.

Mr. Deputy Speaker, Sir, it is very sad that this Budget has increased the prices of paraffin, diesel and petrol, which is going to directly affect the cost of living. The fact that VAT has been reduced by 1 per cent has no effect. It is also very sad that this Budget proposes to bring back Presumptive Tax on coffee. It is only the agricultural sector which will turn this country around. This Government does not seem to think about agriculture! It only thinks about people who are in the manufacturing industry and those in tourism. It is in agriculture that the survival of this nation lies. It is only in agriculture that the Ministry of Agriculture has never thought what the cost of production is in this country. Is the farmer entitled to deduct the cost of production when paying tax? That has never been discussed by anybody, nor has any economist in the Ministry of Finance addressed this issue. This is the time when this Government should come with a policy to encourage production in agriculture, so that this

country can turn around this economy.

Mr. Deputy Speaker, Sir, while I am still on the issue of prices, I am also rather saddened that this Budget did not find it fit to make provisions for the importation of fertilizers. Duty should have been reduced on fertilizers so that farmers can grow enough food for consumption and for export. This is a Budget which does not address itself at all, to agriculture. It is only agriculture which can turn around this economy.

Mr. Deputy Speaker, Sir, I do not want to dwell much on corruption because it is an issue which both sides of the House keep on talking about, but I would like to make one comment. This Government must take care of the property licensed to it. This Government must make sure that the properties which are vested to it have got title deeds. I have in mind a dispensary in my constituency called Kang'aru near Kagio. That utility is lying on somebody's land. This Government should address this issue seriously, so that we do not have a situation whereby people can come in and grab a whole hospital because the title is not guaranteed.

Mr. Deputy Speaker, Sir, while looking at good governance, it is also imperative that when Ministers make statements, they must weigh the effects of those statements. It is very bad to find a statement which has been issued by a Minister---

With those remarks, I beg to support.

Mr. Kombo: Mr. Deputy Speaker, Sir, when I listened to the Minister giving his Budget Speech and he finished, my immediate question was: "What is new?" I had difficulties to believe that what the Minister had said will be implemented. I had difficulties with the Minister at a personal level because in his Speech, he said that tenders to privatise the Kenya Ports Authority (KPA) are out. At that time, I thought they might have been out. But I have checked everywhere and there are no tenders that have been issued in the process of privatising the KPA. So, in a Budget Speech which is supposed to be solemn; for a Minister to make such a serious statement expecting the country to believe it, I find it very difficult.

That is why I asked myself what is new. This is because Budget making in this country is shrouded in mystery. Parliament does not participate at all in the Budget making in this country. We are still shown the briefcase as if it is something really mysterious. Over the last few years, Budget making in this country has become a ritual which has no impact on society whatsoever! It is full of promise that the formulators have no intentions of keeping.

Last year, we got promises like reducing the domestic debts, the interest rates, improving infrastructure, enhancing security, reducing corruption, improving delivery of services from the public sector, ensuring good relationship with our development partners and ensuring justice to all. This year, we have got new more promises like lightening the tax burden, repairing and upgrading the infrastructure, improving the Civil Service productivity, improving security and protecting the local industries. These are the same promises that we got last year, which were not fulfilled at all! Poverty is on the increase since last year. There is no investor-confidence. ESAF is not in place to show that there is improved relationship with development partners. There is no movement in the reform of the Civil Service to ensure that there is productivity, and corruption is on the increase. These promises were made last year. This year, the Minister has repeated them! Is this not just an academic exercise?

Mr. Deputy Speaker, Sir, the Minister, like others before him, has told us that the economy will grow. For years, we have been told the same story. We have been given percentage targets that the economy will grow, but that growth has not been effected. How can we believe the Minister? All the sectors of the economy are in shambles. Tourism has collapsed! Manufacturing is getting nowhere! Banking, agriculture and the others have serious problems. In the Budget Speech, we see nothing that shows that the Minister is serious about improving these sectors.

Mr. Deputy Speaker, Sir, without bold moves to deal with corruption, infrastructure and security, the Minister will not get the investor-confidence that is absolutely necessary for economic growth and creation of jobs.

Investor-confidence is what is going to put the economy of this country back to its feet. We have other factors that affect investor-confidence. The most important is the political will and commitment to implement what is articulated in the Budget Speeches and in many other fora. The political will seems to totally lack, both at Cabinet level and at the top executive level. Until we get the political will and commitment, Kenyans are being taken for a ride.

Mr. Deputy Speaker, Sir, there is also an urgent need to bring back on course the constitutional review process. Without that, you will not get investor-confidence and the economy will not **[Mr. Kombo]** grow. Action, and not words, is what we need from this Government and from the Minister.

To be specific, on fiscal policy, the Minister talks about limiting borrowing, tightening the Kenya Revenue Authority (KRA) controls and quarterly reporting. Doing this is fine. But last year, we were promised that there would be auditors within Ministries. The year went by and nothing happened. So, are we going to believe the

Minister on these promises? In any case, we should have expected a shift in expenditure to favour development as opposed to recurrent. This does not come out clearly in the Budget. We should have seen more transparent tendering procedures put in place. That is the only way to fight corruption and grow. We should have seen measures for proper supervision of development projects. Nothing is said about projects and how they are going to be supervised. The Budget is absolutely short on all these issues.

On monetary issues, the Minister targets 5 per cent inflation, 10 per cent limit on growth on economy and three months' foreign exchange. This is good, but no mention is made on how to deal with the resurgence of inflation that may come due to the weakening of the shilling. No mention is made on the lack of growth in the export earnings. Again, I find this really short in the Speech.

On taxation, all reductions in VAT and Income Tax that the Minister has given with one hand, is negated by a hike in the Road Maintenance Levy. So, he gives with one hand, and takes away with the other hand. I really wonder! In any case, the Road Levy that is hiked has not been used properly in the past. In the past, it has been used to pay pending bills instead of looking after the roads. You just have to go around the country and see that every road is in tatters, yet, you are taxing the people to date. I think the Road Levy money should be managed by the private sector. The private sector can ensure that the tax collected for road maintenance is used for maintaining roads.

Mr. Deputy Speaker, Sir, we also talk about presumptive tax which has been re-introduced. Why? All that I would like to tell the Minister is that with presumptive taxes, I am sure the sugar-cane farmers in Busia, will look at the Minister and say: "This Minister, although he represents us in Busia where we grow sugar-cane, has taxed us heavily and we should sack him next time round".

Mr. Deputy Speaker, Sir, with all these issues that I have touched, when the Minister sits there and says he has given a Budget, one wonders whether he worries about Kenyans, or he belongs to a Government that is not serious about improving the lives of Kenyans. What is needed is a more serious approach, both from the Government and the Minister, to ensure that Kenyans come out from the present slumber that has been forced on to them by a Government that does not carry out policies that it articulates.

Thank you.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, thank you for giving me the chance to contribute to this important Motion. First, I want to thank the Minister for Finance for giving a very good Budget Speech. However, I would like to comment on one or two issues that have not been clearly spelt out in the speech. First, taxation must be justified by providing services for which that tax has been levied. Year in, year out, we come to this Parliament, approve Budgets and allocate funds for the provision of various services and projects to our people. At the end of the year, there is very little to show for that amount that we voted in this Parliament. As you know, our infrastructure is in shambles and yet, we voted a lot of money last year to repair our infrastructure. There has not been given any adequate explanation as to what happened to the amount that we voted for infrastructure last year. We are now being asked to approve increased allocations for Fuel Levy, presumably, to go and repair our road systems and, therefore, give impetus to economic growth. But how are we going to approve or increase Fuel Levy, when the little we voted for last year has not been accounted for properly? We cannot see what that money has been used for.

Mr. Deputy Speaker, Sir, the other aspect is that a Budget Speech gives the policy direction on various issues that affect the growth of the economy of this country. This Budget Speech has not clearly spelt out the policy of this Government for the creation of employment in this country. As we all know, in the last few years, graduates from universities, high schools and other institutions have not been able to secure jobs. We are, therefore, having a pile of graduates at home. Their continued stay at home is discouraging youngsters from pursuing education, because they are now seeing that education is worthless. It is the responsibility of the Government to find ways of creating jobs for its people. It is also the responsibility of the Government to give hope to our young people, so that they will see it is gainful to seek education and training. Instead of providing employment to our young people, we are extending the employment period of officers who have attained retirement age, some of whom have no qualifications to hold those jobs, in the first place.

Mr. Deputy Speaker, Sir, the Budget speech should give a direction with regard to industrialisation and trade. Recently, we had the COMESA meeting here in Nairobi, a fact we seemed to be very delighted about. But that COMESA will hurt Kenyan industries. We are opening up our capital markets of Uganda, Rwanda, Burundi and Congo to other competitors who are better prepared to take up that market. With the level of corruption in our country, and the high cost of production, we will not be able to compete in those markets that we have taken for granted previously. Now, we have opened up such markets to countries like Egypt and Zimbabwe. The COMESA may end up being like what happened when we implemented the liberalisation policy. We were given liberalisation and we took it up and opened our gates for corrupt dumping. As a result, we have destroyed

specific industries in this country; for example, textiles, sugar, cotton and so on. In the process, we have destroyed job opportunities for our young people. We have also destroyed opportunities of earning income for our cotton and sugar-cane farmers. I would even propose that we reinstate controlled economy, and move away from liberalisation. Since we introduced liberalisation in this country, we are no longer creating jobs for our people. This is because a few influential and corrupt individuals import worthless sugar from Brazil and dump it in our market. By so doing, they render our people jobless, like in Nzoia, Chemelil and Sony sugar factories.

Mr. Deputy Speaker, Sir, we should have received a proper policy direction with regard to local borrowing or debts. From what we have in this Budget Speech, we will borrow more money locally. This means that we will devote more resources in payment of interests and, therefore, we will not have enough to create employment, to repair infrastructure and pay good salaries to teachers. The teachers are my pet subject because I know if there is any one class of public servants who correctly earn their salaries, then it is them. Teachers have no avenue to be corrupt like other civil servants. They cannot earn an extra income other than their salaries, and yet, they are not well compensated by this Government.

We should have opted for a balanced Budget, which can only undertake those activities that can be financed from our tax collection. At this juncture, I want to commend the Kenya Revenue Authority (KRA). They have done a commendable job, despite the odds of influential and corrupt individuals in this country. There are individuals in this country who will go behind the Minister and import commodities, and yet, they will not pay duty. If we give the KRA support and adequate authority, what they collect will be enough for our development, and then, we will not need to borrow money locally in order to pay bogus debts that were incurred more than ten to 15 years ago. These are debts for roads which have never been done. For example, we have the Kisii-Chemosit Road which, according to records in the Ministry, was "tarmacked" about ten years ago. It was not tarmacked and yet, we will borrow money and pay debts emanating from that road which was never done.

Mr. Deputy Speaker, Sir, another aspect which has not been spelt out very clearly in this Budget speech is the local authorities. Most local authorities in this country are not rendering any services to our people. For example, the City Council of Nairobi has left piles of garbage that have never been collected. There are craters on major roads of this town. Go to Kirinyaga road, for example; you will think that there has been a volcanic activity there recently, yet, we have a council which is charged with the responsibility of repairing those roads, providing water to the residents of this town, cleaning up the streets and so on. It is a corrupt, filthy council. Unless there is a policy guideline on how we can improve local authorities, then we should do away with them. If we do not, then it is time to pay councillors allowances from the Consolidated Fund, so that there will be no swindling of public funds collected for purposes of providing services and development for our people.

Mr. Deputy Speaker, Sir, there has been a price increase on fuel. That will have an impact on every aspect of life of Kenyans. When you increase the price of oil, you should know that you have increased the price of everything in this country. I know the Minister for Finance looks like a poor man, and I thought he would take care of the poor people.

(Applause)

He should not have raised the price of oil.

On corruption, why do we have the Controller and Auditor-General and the Attorney-General, if the people they say are involved in corruption cannot be prosecuted?

With those few remarks, I beg to support the Motion.

Mr. Deputy Speaker: Yes, Mr. Wamunyinyi.

Hon. Members: He is Mr. Shitanda and not Mr. Wamunyinyi.

Mr. Deputy Speaker: I am sorry, I meant Mr. Shitanda.

Mr. Shitanda: Mr. Speaker, Sir, I am Mr. Shitanda and not Mr. Wamunyinyi. However, thank you for allowing me to contribute on this Motion. I would like to take this opportunity to thank the Minister for Finance for having presented this kind of Budget, although I will have a few diversions here and there.

First of all, I would like to welcome the Minister's move to lower the rate of the Value Added Tax (VAT) and Pay As You Earn (PAYE). This will, especially the VAT, enhance compliance by business enterprises in remitting their collections to the Kenya Revenue Authority (KRA). The single rate which was also introduced on the VAT will help to eliminate the administrative bottlenecks we have had in the collection and supervision of collection of the VAT. We hope that the increases will go a long way in trying to relieve to some extent, the heavy burden of taxation on the Kenyan businessman and the Kenyan wage earner. However, over the years, we have had very well thought-out Budgets, but we have experienced problems in the way they are managed. Our Budget, more or less, depends on the revenue we collect. The Minister should think of ways and measures of increasing

efficiency in the way these taxes are collected and utilised.

Mr. Deputy Speaker, while talking about the way our taxes are utilised, we should quickly touch on issues such as tendering systems in the Government departments. The Ministry of Finance should remodify some of the regulation, which govern tendering systems in our departments. Most of the tender boards in the Ministries are very weak. They apply unorthodox means in awarding tenders for contracts in various Ministries. Sometimes, you will find that tenders have been over-inflated by up to four times the actual cost. The inefficient utilisation of taxes is what leads to the Budget being overshoot by almost 100 per cent. Still, on the way we utilise the revenue we collect, the system of disbursing the fuel levy money that is collected is not very clear. The Ministry of Finance should rethink and come up with a formula on how the fuel levy money should be equitably distributed to recarpet all Kenyan roads, of course, keeping in mind the intensity of the traffic on some roads.

Some districts receive Authority to Incur Expenditure (AIE) from the Ministry of Public Works and Housing for road maintenance from the fuel levy kitty, but the AIEs are never honoured. For instance, the Ministry of Public Works and Housing released some AIEs on the fuel levy kitty to the Provincial Works Officer (PWO) in Kakamega for redoing the Kakamega/Webuye Road. Up to now, no money has been released against those AIEs, hence, making it appear that the way this fund is administered is not in compliance with what should be in place.

Mr. Deputy Speaker, Sir, the Budget talks about tourism and the waived visa on tourists. That is a welcome move but, maybe, we should address the real issues that are contributing to the decline in the tourism sector. Maybe, the visa element is just a small bit in the whole problem that is bedeviling the tourism sector. I would like to say that security is very crucial in the tourism sector. We have to improve on the security and infrastructure, for example, the roads. We also have to improve on other aspects that constitute tourist attraction. Tourists come to this country to see many things, among them wild animals, our forests and landscape. Now, we talk about the decline in the tourism industry and think that, that is so because of the visas, when we are busy destroying our forests every day and fighting each other in the Coast Province. We think that the problem of the reduction in the number of tourists who come to Kenya is because of the visas.

Mr. Deputy Speaker, Sir, there was another issue that was highlighted in the Budget. This is the Civil Service Reform. We were told that the Government will embark on Phase Two of the Civil Service Reform. We want to think that the priority areas will be targeted this time round. The Civil Service Reform should not be used as an exercise to promote nepotism in the Civil Service. In the past, it has been used to weed out people from certain communities. We hope that this time, the Government will focus on priority areas, and leave those areas like the teaching profession, where it is no longer training any teachers. Maybe, we are the only country in the world that has stopped human resource development. The inability to absorb graduates for the last four or five years should also be addressed by the Civil Service Reform Programme. They should not just embark on an exercise of reducing civil servants and ignoring the plight of graduates from universities, polytechnics and other tertiary institutions.

Mr. Deputy Speaker, Sir, I will talk about poverty eradication and corruption. More often than not, we exhibit a lot of poverty of thought in the way we prioritize our affairs. While talking about poverty eradication, we must really be talking about putting programmes in place that will alleviate poverty among our people; not for them to become rich as such, but to live decent lives. Are we ready for that kind of challenge? Only time will tell. If we talk about corruption, there is a lot of corruption in this country---

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

Mr. Ndicho: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

Mr. Deputy Speaker, Sir, I thought that due to the level of poverty in this country, there would be no Budget which would be read by the Minister. But I was surprised that he read one. Kenyans were taken aback because one of the things the Minister did was to increase the price of fuel. I wish to most sincerely thank the operators of public service vehicles, the *matatus*, for declining to increase bus fares despite the fact that the Minister increased fuel prices. Our people are really suffering. As Budget day approached, we were eager to hear whether the Budget would be mwananchi-oriented or a Budget just to be read like any other time. We have a problem in this country of poverty. It is due to poverty that we have increased levels of insecurity and even the aids scourge. I would like to say that Dr. Masakhalia, as a new Minister, and having come to the portfolio halfway, really tried. But Kenyans were not amused that despite the fact that the Minister was trying to reduce some taxes, for example, VAT, it did not make any difference at all as far as the lives of Kenyans are concerned.

Mr. Deputy Speaker, Sir, Kenyans pay taxes in full. All the taxes that the Government demands from wananchi, they pay them. But wananchi never get anything ploughed back to them because of rampant corruption in this country. Even if wananchi pay that 15 per cent VAT charge, that money is stolen. It is never even remitted

to the Government. We hope that the Ministry of Finance will employ stringent controls to make sure that money paid to the Government in form of taxes reaches the Treasury and that, that money is ploughed back to help the people of this country. Corruption starts from the top to the bottom. This is because, at the district level, the officers in charge of AIEs are only waiting for this money to come and they will blatantly steal it because their bosses in Nairobi are also stealing. I have seen several circulars from the Ministry of Finance, giving strict conditions and rules that whoever is caught having misappropriated public money would be punished, but the Government has never arrested any single person for misappropriating public money. Yet, we are all here crying to ourselves. Everybody is crying; from the President to the small man. I wonder whom we are crying to. Normally, children cry to their parents, but when the mother and father now start crying, I think it is only Jesus Christ who is supposed to come back and save the situation. So, we hope that the Ministry--- We are sort of blaming the Ministry of Finance as the one that is not serious on checking corruption because they are the people who give out money and they do not care how that money is being utilised.

Mr. Deputy Speaker, Sir, bad politics also leads to a bad economy. We are practising very bad politics at the moment in this country, and this is affecting the economy in a very big way. The raging debate on the constitutional review process has now taken everybody by surprise and people are now not gearing themselves towards economic activity, but towards political activity. It is high time the President of this country, who happens to be my friend, listened to the wishes of the people. The people of this country, in their millions, want the constitution to be taken back to them.

The Minister of State, Office of the President (Mr. Sunkuli): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member for Juja in order to make that type of remark when the other day, I was with him at a meeting in Kiambu and he was the one who proposed that the constitutional reform process be taken to Parliament? I heard it with my two years!

An hon. Member: I was also there.

Mr. Ndicho: Mr. Deputy Speaker, Sir, I said that, because six months had been wasted bickering, we should come back to Parliament to amend that Act, so as to compensate for the time that had already been lost. I never said that this thing comes here. I know that---

Mr. Deputy Speaker: Order! Hon. Ndicho, you are saying exactly the same thing.

Mr. Ndicho: No! No! no. Mr. Deputy Speaker, Sir, the President said that the whole process be taken from the people to Parliament. I said something different; that, we need to amend the Act, so that the time lost should be compensated for by Parliament. That is all I said! But all I want to say is that it is high time we take this constitutional debate to the wananchi, so that they can concentrate on nation-building and the Commission will concentrate on its job. But we have a problem. The problem of this constitutional review process is KANU. In 1991, before the Seventh Parliament, it is this House, during the single-party era, that amended the Constitution to bring the clause that the President will serve for two terms of five years each. I can tell you in no uncertain terms that, that is the only clause that is bringing the whole bloody problem.

Mr. Deputy Speaker: Order! There is no bloody problem in this country.

Mr. Ndicho: I mean the problem, Mr. Deputy Speaker, Sir. Before that problem becomes bloody---

Mr. Deputy Speaker: Order, hon. Ndicho. Avoid using that word.

Mr. Ndicho: Mr. Deputy Speaker, Sir, I am saying unless we check and respond to the wishes of the people, there is going to be bloodshed. This document called Constitution is very dangerous. This is because, the people are saying this should be done, and another group says this should not be done. If one group duels with the other, then the other is going to bring bloodshed. That would be a bloody situation!

(Laughter)

So, I am saying that we should avoid this bloodshed. That is why I am supporting the trade union officials in Thika who came up with an idea of forming an alternative organisation to COTU. If we have liberalised politics, why should we not liberalise even the labour movement? I appreciate the fact that these guys appointed me as the secretary-general of the new national union for all workers in this country. I am requesting the Attorney-General to bring amendments here that would impede the registration of that movement. In Italy, there are three workers' unions which are very strong. There is no way we should have only one union in Kenya. If we have alternatives to KANU in the form of 26 political parties, why should we not have other trade unions?

We need liberalisation. When people are free, they can contribute positively to the growth of the economy of such a nation. When people are not allowed to exercise their democratic rights by even forming new organisations, then you can imagine how that will interfere negatively with the growth of the economy. I feel

duty-bound to agitate for the rights of workers in this country, most of whom have no union, like those in the matatu business. That is why we are telling the Minister for Transport and Communications that, that contentious Transport Lincensing Board (TLB) Act must be removed. If these guys paralyse the transport system in this country, then you can imagine, Mr. Minister for Finance's efforts to resuscitate this economy will be badly hit because the transport industry contributes a lot. You had better tell the Government that it must rescind this decision on the TLB business.

There are other categories of workers, like civil servants, who have nobody to talk for them. For example, in the *Kenya Times* Newspaper, Mr. Chris Ondweso, the Managing Editor, has left the country because of poor payment. Job Mutungi, the Managing Editor of *Sunday Times*, and Gunga Chea have also left *Kenya Times* because these people have never been paid their salaries since April.

With those few remarks, I beg to support.

The Assistant Minister for Transport and Communications (Mr. Sankori): Thank you, Mr. Deputy Speaker, Sir. May I take this opportunity, first of all, to thank those Members of Parliament on both sides of the House who actually respected the Budget day. I am happy that this time, a number of Members from both sides respected the Budget. It is unfortunate for the few who decided to do otherwise.

Mrs. Mugo: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to say that there were others who decided to do otherwise when we walked out because live bullets were being used on innocent Kenyans?

Mr Deputy Speaker: What is your point of order?

Mrs. Mugo: He is misleading Kenyans!

Mr. Deputy Speaker: Proceed, Mr. Sankori.

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Deputy Speaker, Sir, I do not think I need to respond to that because it was very clear bad behaviour for some of the Members of this House to behave like thugs on the streets.

Mr. Deputy Speaker: There are no thugs in this House.

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

Mr. Deputy Speaker: Order! Hon. Sankori, you will withdraw the reference you made against Members of this House and apologise.

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Deputy Speaker, Sir, I withdraw the remark.

Mr. Deputy Speaker: And apologise.

The Assistant Minister for Transport and Communications (Mr. Sankori): I do not know whom else I am going to apologise to.

Mr. Deputy Speaker: The House!

The Assistant Minister for Transport and Communications (Mr. Sankori): I apologise to the House. If Members of this House want to be called hon. Members, they must first of all---

Mr. Deputy Speaker: They are hon. Members.

The Assistant Minister for Transport and Communications (Mr. Sankori): If hon. Members in this House want to be respected, they should respect themselves first.

Mr. Ndicho: What does that mean?

The Assistant Minister for Transport and Communications (Mr. Sankori): When you are called "an hon. Member", you had better be an hon. Member from your bedroom to this House.

Mr. Maitha: On a point of order, Mr. Deputy Speaker, Sir. We were not elected in our bedrooms. We were elected in constituencies. Is he right---

Mr. Deputy Speaker: Order! Hon. Sankori, we have before us a debate on the financial statement and annual estimates which were moved by the hon. Member sitting on your left. Would you like to concentrate on that Motion?

The Assistant Minister for Transport and Communications (Mr. Sankori): Thank you, Mr. Deputy Speaker, Sir, but the hon. Members in this House actually are the ones to contribute to this and they are part of that Budget-making process.

May I also take this opportunity to thank the Minister for Finance for a very well thought Budget for 1999/2000. He has given us hope to lead us into the next millennium with a good Budget. As other Members in this House have said, the economy of this country is tied up with very many things,

especially security. Security is the most important thing in any country. For you to be able to move, work, do your

business freely or anything else, you must be assured of security. Once security is threatened, there is nothing much you can do. I am saying that because there is a lot of insecurity in most areas in this country. May I support hon. Ndicho when he said that we must play good politics. Unfortunately, some of these cases of insecurity are sometimes brought up by bad politics. When I say bad politics, I do not need to specify any particular group of people. Good politics goes a long way to contribute to the security of this country.

When leaders start organising some kind of movements, it is very hard for the Government to organise the economy the way it should be. May I request the Members of Parliament in this House to assist in their own areas, to show the people they represent that good politics is required for us to be able to get our economy onto the right track. When we come to the question of the constitutional review, the Budget day has got nothing to do with the constitutional review. The constitutional review is a different thing altogether, from the Budget speech.

[Mr. Deputy Speaker left the Chair]

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

When Members of Parliament start saying we should not be able to bring this matter to this House, what are they saying? When you take these things to the people and you are the representative of those people, what are you telling them? You are simply saying: "I am unable to represent you." When small groups of people gang themselves up and say, for example: "We are the women's caucus", who elected them? We do not know. I have never seen an election for a women's caucus in my district. These people only came up here ---

Ms. Karua: On a point of order, Mr. Temporary Deputy Speaker, Sir. The debate before us is not about the women's caucus. It is about the Budget. Where in the Budget is the women's caucus or the elections of KANU, which has never had elections, mentioned? Is he in order?

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, even if we are going to tell the people, it will not be the few individuals who have given themselves offices here in Nairobi, and they are not known anywhere.

Mr. Temporary Deputy Speaker, Sir, roads in this country are in bad shape and we need the---

Mr. Orengo: You have said all I was going to say!

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, can you protect me from a "fly"? We need to use the Fuel Levy to improve our roads.

Mr. Ndicho: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Maasai to call hon. Orengo a "thug"?

The Temporary Deputy Speaker (Mr. Poghisio): The honourable who?

Mr. Ndicho: Hon. Sankori. Can he withdraw that word and apologise to hon. Orengo?

The Temporary Deputy Speaker (Mr. Poghisio): What did he say?

Mr. Ndicho: He called him a thug!

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, I did not call anybody a thug.

An hon. Member: You called him a "fly"!

The Assistant Minister for Transport and Communications (Mr. Sankori): Well, who is a fly here? If somebody knows that he is a fly, then--- Nobody is a fly here!

The Temporary Deputy Speaker (Mr. Poghisio): Mr. Sankori, just proceed with the debate.

The Assistant Minister for Transport and Communications (Mr. Sankori): Thank you, Mr. Temporary Deputy Speaker, Sir. The Fuel Levy should be used to improve the roads in this country, especially those areas which have been neglected for a long time like the highways. Accidents are occurring because of bad roads. Less than a week ago, we lost over 13 lives in one spot. It was bad. I am going to tell everybody in this country about the problem.

An hon. Member: Tell KANU!

The Assistant Minister for Transport and Communications (Mr. Sankori): When you say: "Tell KANU", KANU is a party like any other party and the thieves are in the Government and we have got everybody, including Members of the Opposition, in that Government.

An hon. Member: How can he use unparliamentary language and get away with it?

The Temporary Deputy Speaker (Mr. Poghisio): Order! I am beginning to get concerned with the use of unparliamentary language here. I will protect both sides of the House. I want to caution Mr. Sankori about

using the word "fly" on a Member of Parliament. I think he should withdraw and apologise for that.

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, I said "protect me from a fly". Which "fly" were you protecting me from? There was a fly flying across here. I needed that protection. I did not call any Member "a fly".

The Temporary Deputy Speaker (Mr. Poghio): Order! Mr. Sankori, I think you should do the right thing as a gentleman and a Parliamentarian.

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, I have to go by your ruling. If the word "fly" is not Parliamentary, then I withdraw it.

The Temporary Deputy Speaker (Mr. Poghio): Okay, proceed!

The Assistant Minister for Transport and Communications (Mr. Sankori): Mr. Temporary Deputy Speaker, Sir, coming to the issue of education, it is very paramount for any development. It is just unfortunate that in some areas, especially the nomadic areas, we have got very few teachers. If the Government is not going to train more teachers, we will have a number of schools without adequate teachers. May I request the Government to consider some areas for more training of teachers because if teachers from urban areas come to those rural areas, they immediately get an inter-district transfer and go away.

With those few remarks, I beg to support.

Ms. Karua: Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to contribute to the Budget Speech. Like has been said by other hon. Members, the Budget did not focus on the plight of the common man. The increase in the cost of fuel in order to boost the Fuel Levy will hurt the common man in a very big way. It will cause a chain reaction, not only in the cost of transportation; it will eventually lead to the increase of cost of foodstuffs that use fuel to process.

Mr. Temporary Deputy Speaker, Sir, at a time when Kenyans are hit by inflation, we did not need to have budgetary measures that will further press the common man to the abyss of poverty. Although the intention of the increase of the Fuel Levy is the maintenance of the roads, we must first ask ourselves whether the amount so far realised has been put to good use. Looking at our roads, it is obvious that the Fuel Levy has not been put to good use so far. Our roads are full of potholes; there are unwarranted deaths on our roads caused by lack of maintenance. Just within the City, the roads are in a deplorable state. Kenyan roads are at their worst, more than 30 years after Independence, when we should be having the best road network.

Mr. Temporary Deputy Speaker, Sir, we would have wanted to see the Ministry focusing on maximizing the use of the available Fuel Levy than adopting measures that hurt the common man. Now that those measures have been adopted, we will want to hear from the Minister how he hopes to raise the effectiveness of the manner the Fuel Levy collected is being used. Mr. Temporary Deputy Speaker, Sir, we are told that all Members of Parliament are supposed to be members of the District Tender Boards. When monies that are allocated for the roads reach the District Treasury, Members of Parliament and other local leaders are supposed to be involved in the tendering. But what is happening today is that District Commissioners and the Roads Engineers are enriching themselves at the expense of the public. They are tendering secretly in an opaque manner. Like in the case of Kirinyaga, they send notices to Members of Parliament hours before the meeting to ensure that they do not appear in the tender boards. In this way, they ensure that the opaqueness in the tendering system continues to exist. We expect such an issue to be tackled by the Ministry of Finance because these are the areas where public money is either being misused or outrightly stolen. No amount of increase in the Fuel Levy will remedy the situation if the actual problem is not tackled or focused upon by the Ministry. We would want to hear measures that help to maximize on the little revenue we collect.

Mr. Temporary Deputy Speaker, Sir, we would want a method that decentralises power from the hands of the District Commissioners. All the Ministries' funds at the district level are administered by the District Commissioner, making him a very powerful person indeed, and creating avenues for corruption. Why should the tenders for roads not be administered by the Ministry of Public Works and Housing, with local leaders and Members of Parliament being mandatory members, and a person from the province coming to supervise? Alternatively, they could devise other methods that are acceptable. The funds for education should be administered by the Ministry of Education and Human Resource Development rather than the District Commissioner as the chairman. We are leaving District Commissioners with no serious work to do other than meddling with other departments. The result is pure disaster. You find that if there is a problem in the agricultural sector, the District Commissioner becomes a know-it-all. The Kirinyaga DC is a case in point. He even dares to contradict a Cabinet Minister. When the Minister for Agriculture says "leave the Mwea farmers alone", Mr. Nandasaba is on record as saying; "Arrest the farmers if they are ploughing". This is the kind of absurd situation created by uncoordinated policies. These are the areas that we would have expected the Budget Speech to focus on and show how it is going to help Kenyans to maximize on the little money they have by decentralising powers in supervision of the

resources, especially at the district level.

Mr. Temporary Deputy Speaker, Sir, the Budget Speech did not touch or sufficiently address the education policy. The bursaries being granted by the Ministry of Education and Human Resource Development, and being administered by teachers in schools, are not helping anyone. What we need are not bursaries from the Ministry, but a total reorganization of our education system. We need to see support going directly to the schools, the way it used to be before, in terms of facilities, books and equipment. And, in turn, the schools will charge lesser fees because they have less to cater for. That way, the little money available is spread over to all parents, the burden of fees becomes lighter and education becomes accessible and affordable to many. The Government should not be happy to send its Ministers around, to raise bursaries funds all over. This is not the way forward. The way forward is to use the taxpayers' money effectively to ensure that education is accessible to all.

Mr. Temporary Deputy Speaker, Sir, we also want to see the question of teacher training addressed. Is it logical to close down teacher training colleges when we know that a certain percentage of teachers are dying every year, while others are retiring every year, and we need to replace them? Was it not a hasty decision to decide that we close all the teacher training colleges? We need to see better reorganization of the Ministry and the question of teachers' salaries addressed. We should not wait until the teachers strike, to start saying that the Government has no money. We did not hear the issue of the pending teachers' salary increment addressed by the Budget Speech. We hope that somewhere along, when it comes to the Vote of the Ministry of Education and Human Resource Development, we will get details on this.

Mr. Temporary Deputy Speaker, Sir, the Budget did not also sufficiently explain what the policy with regard to health is; what are the budgetary allocations. Are we going to see improved health facilities in this financial year, or have we stagnated where we are with the situation, that the district hospitals and dispensaries are useless structures that are not helping the community? What financial measures are being taken into account to make sure that we get our hospitals and dispensaries operational? We are waiting to hear this. We are also waiting to hear how we shall maximize on the little money allocated to the Ministry of Health. What about the issue of corruption in tendering? What about the issue of payments for deliveries that are never done? What about the issue of drugs? It may not be the Ministry of Finance that will run each and every Ministry, but since this is the Ministry that is focusing on budgetary allocations, what measures are there to ensure that those allocations reach the people? We needed to hear these broad policies.

Mr. Temporary Deputy Speaker, Sir, on the issue of security, when we vote money for security, how can we expect to have improved security when the Government is taking leadership in promoting the culture of violence; when Members of Government start congratulating those who commit crimes of violence against other Kenyans? Whatever view one has of the behaviour of another Kenyan; whether you think they have committed an offence or not, it is utterly irresponsible to promote the culture of violence. We are calling upon the Government to immediately arrest the police officers who took part in brutalising Bishop Njoya. This way, the Government will have gone a long way in reducing insecurity. Even before we use any financial resources, it will have improved insecurity by showing that nobody is above the law. Even if it is an hon. Member who promotes insecurity, we want to see action taken. Otherwise, voting monies on security will not help. They will either end up in the pockets of the corrupt, or we will just buy vehicles, like we did from South Africa, to come and brutalise Kenyans instead of defending them. We are saying that beautiful budget speeches - and I am not saying that the last speech was all that beautiful - will not help this country, if we do not match our utterances with our actions.

Thank you, Sir.

The Assistant Minister for Water Resources (Mr. Chanzu): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech for this financial year, 1999/2000, which was made by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, first of all, I want to take this opportunity to congratulate the Minister for the contents of the Budget Speech itself and the presentation he made. It is not a very easy task to work out a Budget like the one the Minister worked out, bearing in mind that the country has been undergoing a lot of difficulties. I take this opportunity to congratulate the Minister and to urge our colleagues in this august House to support the Budget and assist the Minister and the Government in implementing it. We have made a lot of progress since Independence, and we should uphold it. Again, we have to work very hard in order to retain what we have achieved, and to improve on that. That requires our concerted effort collectively, all of us, as Kenyans.

I also want to take this opportunity to thank the Head of State, President Daniel arap Moi, for the manner he has steered the country since he took over in 1978. It has been a hard task. As we are aware, Kenya is a country with diverse ethnic background and it is not very easy to put all those people together. Being a developing country, with people coming up with all sorts of ideas based on various backgrounds, it is not very easy, but he has managed to unite us up to this time. That has been his philosophy and we should all support him. The peace

prevailing in the country has been achieved because of the good leadership. So, it is up to all of us to ensure that we support him, so that we continue enjoying peace. If we look at the countries which have had chaos, you find it is very difficult to get back to normal situations once we get into turmoil. So, we should never advocate for things which can lead us into the chaos that is taking place in our neighbouring countries.

This year's Budget, as I see it, Mr. Temporary Deputy Speaker, Sir, is meant to jump-start the economy. There are a lot of things that we need to do to achieve that. There is need for us to ensure that the basic needs, such as shelter and food, are taken care of. But I would like to urge that more resources be directed towards poverty alleviation and the infrastructure. On the alleviation of poverty, when we have a poor society, then we encounter some of these crimes that we are witnessing today, like theft and people fighting over the meagre resources that are available, like food. But when everybody is satisfied, then we cannot experience these problems.

On the question of infrastructure, this being an agricultural country, if we work on our farms and get high yields, but we do not have good roads, then it is meaningless because the crops that we produce will rot in the farms. This will cause a lot of losses to the farmers. But if the roads are in good condition, the farmers will be able to market their produce.

Mr. Temporary Deputy Speaker, Sir, water is a basic need, which we must provide and direct our resources to. Health is also very important, and so is education. The policy of the Government to industrialise by the year 2020, I see it being achieved through the youth polytechnics and the *Jua Kali* sector. We should then direct more resources into these areas, if we have to achieve industrialisation by the year 2020. If we are to also achieve industrialisation by the year 2020, we must direct our resources towards the energy sector.

Mr. Temporary Deputy Speaker, Sir, recently, we had two Sessional Papers and one was on the water sector, which I think went down very well. It is now a matter of its implementation, and it is going to involve all of us collectively, in order for all this to be achieved. There was also a Sessional Paper on the tea sector; that is, in the agricultural sector, and I think we should do more as far as agriculture is concerned. We should encourage the farmers, rather than discouraging them. We should allow more incentives to farmers because, like this year, what I noticed is that the price of fertilizer is around Kshs1,500, when initially, before the Government intervened through the National Cereals and Produce Board (NCPB), the open market price for a bag of maize was about Kshs400. That way, it is very difficult for the farmer to produce food. So, I would like the agricultural sector to have incentives and do proper calculations, in order to be able to encourage the farmers.

Mr. Temporary Deputy Speaker, Sir, the other aspect that has been talked about is security. We have problems even within. It is not only security along the borders, but also from within. I have seen cases in schools where teachers have been burnt using laboratory acids or chemicals. We have read of these cases in the papers. A way should be found to curb this. I think, in crimes of this nature, there should be adequate penalties to the offenders in order that this can be controlled.

Mr. Temporary Deputy Speaker, Sir, on the constitutional review process, I agree with the views that we are the representatives of the entire population of Kenya. For example, if everybody was given a chance to make his or her contribution, I do not know how long it would take to compile the information and come up with what can be used in the constitutional review process. Therefore, I support the view that the constitutional review process should be handled by the Members of Parliament who have been elected by the people to represent them as is required. I support the views which have been echoed by the Head of State. There are a lot of distortions by the papers. Occasionally, you say something; like, for example, if you say a hundred words, they leave out ten words and distort the meaning of what you are saying.

Mr. Temporary Deputy Speaker, this does not imply that wananchi will not be involved in the constitutional review process. I would like to encourage wananchi to give their views to their respective elected representatives, who will collect the information and bring it here for deliberation by the hon. Members of this august House.

With those comments, I support the Budget Speech.

Mr. Githiom: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this very important Motion. Although this is the first time I have stood up to contribute to debates in this House since October, 1998. Now, I have managed to catch your eye.

I will start my contribution to the Motion on this year's Budget by thanking the Government, first, for agreeing to tarmac the Ol Kalou/Njambini Road. That is a road which ought to have been tarmacked since 1969. Most of Class B roads have been tarmacked, and this time round, the Government has accepted to tarmac the road. We, the residents of Nyandarua District, are indeed very happy because, if tarmacked, the road will open the economy of the people in that district. We urge the Government to also do other roads which are currently totally impassable in the area, to enable the people of Nyandarua District to have an effective communication infrastructure like people in other parts of the country.

Now that the Government has accepted to tarmac that road, I would also like to urge it to appoint three contractors, so that they can hasten the construction work. We are asking the Government to appoint a contractor to undertake the road works from Dundori to Ol Kalou; another contractor should do it from Ol Kalou to Ndunyu Njeru, through Kipipiri, and another contractor should do it from Ndunyu Njeru to Njambini. This is the only way we can be sure that the road will, indeed, be done. The people of Nyandarua District are really waiting for the road to be tarmacked. It is a fact that the people of Nyandarua District have been pouring down milk on the road during the rainy seasons. That is why I feel that I should, today, thank the Government for undertaking to tarmac the road.

Mr. Temporary Deputy Speaker, Sir, I would like to tell the Minister for Finance that the Road Maintenance Levy Fund (RMLF) is really doing very little to assist Kenyans. Before the RMLF was introduced, Kenyans used to have better roads. We never used to have the kind of potholes we have on our roads today. So, Kenyans are convinced that the RMLF is a way of raising money for the benefit of a few individuals.

The RMLF is a tax which Kenyans do not really want because it has not improved the state of their roads. Roads continue to be in a deplorable condition even after the RMLF has been in place. We pay a lot of money in the form of tax for every litre of petrol or diesel we buy. This money goes into the RMLF, but our roads continue to be bad. The big question is: Where is the Minister taking this money to? The money is supposed to be used for road maintenance, but this does not happen.

Mr. Temporary Deputy Speaker, Sir, today, our roads are in a worse condition than when we were not paying the Road Maintenance Levy. Even when the Minister for Finance was presenting the Budget, he heard hon. Members shout him down when he mentioned the RMLF. This is because the Fund has not been of any use to Kenyans. It has instead been a way of collecting money, which this Parliament has not been convinced on its use. So, this time round, this Fund should be scrapped, because it is not helping at all.

Mr. Temporary Deputy Speaker, Sir, Kenya has reached the stage of industrialisation. Today, we have very many unemployed people from the universities and other institutions. One simple way of creating jobs for these people is to ensure that we have enough industries in the country. Kenya is an agricultural country, and the Government should think of developing an agricultural industry in every corner of the country, no matter how small it may be.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Hon. Members, it is time now for us to interrupt our business. The House is, therefore, adjourned until tomorrow, Wednesday, 16th June, 1999, at 9.00 a.m.

The House rose at 6.30 p.m.