

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 23rd October, 2001

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

DISTINGUISHED GUESTS FROM MALAWI
PARLIAMENT IN SPEAKER'S ROW

Mr. Speaker: Hon. Members, I would like to recognise the presence of the following Parliamentarians from the National Assembly of Malawi who are seated in the Speaker's Row. They are hon. D. Katsonga, MP, First Deputy Speaker; the hon. G.E. Zulu, MP, Deputy Whip and Mr. O.M. Phiri, Principal Clerk.

They arrived in the country on Sunday, 21st October, 2001, and are on a familiarisation tour of our Parliament for the whole of this week. They will leave on 27th October, 2001.

On your behalf and my own behalf, I wish them a fruitful stay in Kenya.

(Applause)

ORAL ANSWERS TO QUESTIONS

Question No.061

KILLING OF MR. KIRERA OMARE

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

(a) whether he is aware that the late Zablon Kirera Omare was killed by administration policemen in Riomego Health Centre, North Mugirango Location of Nyamira District in 1992;

(b) what are the identities of the policemen involved and why have they not been prosecuted; and,

(c) whether the Ministry could pay compensation to the widow of the deceased, Mrs. Josephine Kemunto Kirera, and her four children.

The Minister of State, Office of the President

(Maj. Madoka): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that a report was made to Nyamira Police Station on 16th June, 1992, alleging that two administration policemen killed the late Zablon Kirera Omare on 19th May, 1992.

(b) The two suspects were Administration Police Constable Martin Akoga and Administration Police Constable Anthony Ngala. The suspects were charged with murder and acquitted by Kisii court on 13th December, 1993.

(c) The issue of liability and compensation is a matter for a competent court of law to determine.

Mr. Anyona: Mr. Speaker, Sir, this Question has been pending before this Parliament for the last five years or so. My understanding is that, in fact, the suspects were not charged. After some time in custody they were released.

Could the Minister give evidence or table documents showing the case number and the court that heard and acquitted the suspects because we can get the proceedings, if he does not have them?

Maj. Madoka: Mr. Speaker, Sir, all I know is that the suspects were acquitted on 13th December, 1993. I would have to get the actual file to know the case number. I do not have it with me right now.

Mr. Anyona: Mr. Speaker, Sir, that vindicates what I said. My knowledge and that of the family and other people is that the suspects were released. This is a very serious matter.

Mr. Speaker, Sir, would I be in order to request the Minister be given time, in spite of the fact that this Question has been pending before this House for five years, to get the court case number and the court that heard it and, if possible, the judgement?

Maj. Madoka: Mr. Speaker, Sir, that is possible. But I do not know what the hon. Member means when he

says this Question has been pending for five years. I do not know when it last came up. But I will certainly give the details.

Mr. Speaker: I will defer this Question to next week.

(Question deferred)

Question No.263

PAYMENT OF COMPENSATION TO
MR. GITHINJI'S FAMILY

Mr. Kihara asked the Minister of State, Office of the President, when the Ministry will pay compensation to the family of the late Wandero Githinji who was killed by a hippo on 20th January, 1998, in Mirera Sub-Location, Hells Gate, Naivasha.

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

It is true the late Wandera Githinji is amongst those people who have their compensation cases waiting. The money has been released to the compensation committee and I would advise the hon. Member to see the District Commissioner.

Mr. Kihara: Mr. Speaker, Sir, the answer I have from the Minister says that the widow should check with the District Officer whether the money has been released. Now that the Minister says that the money has been released, I do not know which is which. Be that as it may, could he tell this House how much compensation the widow is to expect?

Maj. Madoka: Mr. Speaker, Sir, the compensation is Kshs30,000.

Mr. Kiunjuri: Mr. Speaker, Sir, we passed a Motion here for the compensation of any death caused by wild animals. It has taken the Ministry all that long to amend the Act.

Could he explain to this House why the Government has allowed wild animals, especially elephants and hippos, to declare a "state of emergency" in most constituencies in this country without any Government response? For example, there is a "state of emergency" at Marura Village where hippos always terrorise the villagers from 5.00 p.m. everyday. Could he explain to the House?

Maj. Madoka: Mr. Speaker, Sir, it is true that we have had wild animals over the last few months really getting out of the national parks and destroying crops of the various farmers. However, KWS has done its best to try and contain that and efforts are continuing.

Mr. Kihara: Mr. Speaker, Sir, could the Minister tell us when this Government will spare us the shame of telling the world that a Kenyan life is worth only Kshs30,000? When will this Government spare us this shame?

Maj. Madoka: Mr. Speaker, Sir, the Kshs30,000 was, in fact, passed by Parliament. Now, the recommended amendment is coming up with the Bill which will be before us being presented by the Attorney-General.

Mr. Kariuki: Mr. Speaker, Sir, although I have not received the written answer, I beg to ask Question No.405.

Question No.405

SPECIAL SCHOOLS FOR HIV/AIDS ORPHANS

Mr. Kariuki asked the Vice-President and Minister for Home Affairs, as a way of eradicating poverty and other social ills associated with the increasing number of street children and HIV/AIDS orphans, if the Government could consider building special homes and schools for street children and HIV/AIDS orphans.

Mr. Speaker: Is anyone here from the Office of the Vice-President and Ministry of Home Affairs? We will leave that Question until the end. Let us move on to the next Question.

Question No.106

INSURANCE OF GOVERNMENT VEHICLES

Dr. Kulundu asked the Minister for Finance why Government Motor Vehicles are not insured.

Mr. Speaker: Is anyone here from the Ministry of Finance and Planning? We will leave that Question until the end then. Let us move on to the next Question.

Question No.325

DEBT PORTFOLIO OF NBK

Mr. Obwocha asked the Minister for Finance:-

- (a) how much money the Kenya African National Union (KANU) owes the National Bank of Kenya;
- (b) whether he is aware that non-payment of Kshs300 million debt is causing concern on the debt portfolio of the bank; and,
- (c) when this money will be paid.

Mr. Speaker: Is anyone here from the Ministry of Finance and Planning? We will leave that Question until the end then. Let us move on to the next Question.

Question No.515

DESTRUCTION OF MALAVA FOREST

Mr. Shitanda asked the Minister for Natural Resources:-

- (a) whether he is aware that there is massive destruction of Malava forest going on;
- (b) whether he is further aware that the destruction is being carried out by his officers in collusion with saw millers; and,
- (c) what action he is taking to stop the wanton destruction of this forest.

The Assistant Minister for Environment and Natural Resources (Mr. Nooru): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that there is massive destruction of Malava Forest which is going on. However, I am aware that due to closure of forest operations in Malava, incidents of tree poaching and boundary encroachment are on the increase.

(b) I am not aware of the Forest Department Officers colluding with saw millers to destroy the forest. But I am aware that my officers are involved in the operations and controlling the illegal tree poaching.

(c) The Forest Department continues to monitor and patrol the area, and has increased personnel to control these illegal activities around the clock, including weekends and public holidays. A total of 36 offences committed against the Forest Act. We compiled the cases and prosecuted the offenders between January and April this year.

Mr. Shitanda: Mr. Speaker, Sir, you have just heard the Assistant Minister deny that there is no destruction of Malava Forest, and at the same time admit that there have been cases of people encroaching on this forest. The Malava Forest Officer and all the other Forest Officers who have been in Malava, in collusion with the Provincial Administration, have been engaged in the destruction of this forest. In fact, one Forest Officer had a power saw which was used to fell trees and sell them to saw millers in Webuye. Could the Assistant Minister deny or confirm that the former Malava Forest Officer was transferred because he was involved in the destruction of this forest? What action has the Ministry taken against that forester other than transferring him?

Mr. Nooru: Mr. Speaker, Sir, the transfer of Government officers is a normal exercise. I categorically deny that the officer was involved in the forest destruction because there is no way that an officer can be involved in the destruction of the forest and, at the same time arrest 36 culprits between January and April. In fact, those people have been taken to court and fined or jailed.

Dr. Kituyi: Mr. Speaker, Sir, Malava Forest is one of only two tropical rain forests in Kenya. It is an open secret that District Forest Officers have been the main culprits, not only in felling trees, but also in using public vehicles to transport timber from Malava and Kakamega forests to the market. This has been argued in DDC meetings, and the public outrage has been very common in Western Kenya. If the Assistant Minister is not aware, could he tell us when he verified that what he is being told is not correct? We know what we are telling him; that his officers are the main culprits in the destruction of the forest.

Mr. Nooru: Mr. Speaker, Sir, there is no way the officer can collude with the public to destroy the forest, and at the same time, enforce the Forest Act. I have a list of members of the public who have been arrested by the same

officer and charged in court. It also indicates the fines and jail terms they have been sentenced to serve by the court.

Mr. Speaker: Mr. Nooru, suppose those he arrested are the ones who have not played ball with him?

Mr. Nooru: Mr. Speaker, Sir, we are really very vigilant of the situation, and that is why we have often done reshuffles so that they cannot be able to collude with the public.

Dr. Murungaru: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead the House that he is not aware that his officers are colluding with members of the public in a corrupt manner and at the same time tell us that he is reshuffling them because he is aware there is a problem? What is the correct position?

Mr. Speaker: Mr. Nooru, I am just worried by a bit of your answers in the House. I thought it is your responsibility to find out and tell the House the facts as they are.

Mr. Nooru: Mr. Speaker, Sir, I have given the facts to the House as they are. I am not aware of the forest officers colluding with the public to destroy the forest. But I am aware that there is public encroachment on the forest for the purpose of burning charcoal and cultivation. As you are aware, there is a shortage of land in Bunyala and the area adjacent because most people have planted sugarcane on their farms. We are trying to curb this situation as much as possible and that is why our increased number of officers have increased surveillance on the forest.

Dr. Kulundu: Mr. Speaker, Sir, first of all, I wish to protest most vehemently at the transfer of Mr. Wafula from Malava Forest to Bunyala Forest, because he has been involved in the massive [Dr. Kulundu] destruction of Bunyala Forest. There was hue and cry against him way back in 1998, and that is why he was taken to Malava Forest. Now they have brought him back to Malava Forest to completely destroy the little that was left of it. Could the Assistant Minister assure this House that he is going to take disciplinary action against Mr. Wafula instead of shuffling him from one place to another?

Mr. Nooru: Mr. Speaker, Sir, what the hon. Member is talking about is now history. At the moment, environmental public awareness is quite different. We are assessing the situation very carefully and we shall discipline officers who will get involved in forest destruction.

Mr. Shitanda: Mr. Speaker, Sir, in view of the fact that logging has been banned, in fact, by the President, could the Assistant Minister tell this House whether this ban exempted Malava and Kakamega forests? These are the forests where we still have logging going on by Asians.

Mr. Nooru: Mr. Speaker, Sir, the President's ban applied to the entire country and not to a particular forest. The ban still stands.

Mr. Speaker: Very well! Next Question!

Question No.093

ILLEGAL ALLOCATION OF LAND

Mr. Muchiri asked the Minister for Lands and Settlement:-

(a) whether he is aware that land LR Nos.209/12009, 209/12011 and 209/12487 were illegally allocated while in occupation by over 30,000 squatters;

(b) whether he is further aware that structures in the said plots were demolished without compensation and thousands of the squatters made homeless; and,

(c) how many squatters were compensated and how many of them declined compensation.

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

(a) I am not aware of any illegal allocation of land LR Nos.209/12009, 209/12011 and 209/12487. The plots were allocated for the purposes of slum upgrading for the benefit of the slum dwellers in Mathare. There was no illegality about the allocation, as this was Government land.

(b) I am not aware of the alleged demolition of structures without compensation.

(c) Since I am not aware of the alleged demolition, I cannot comment about compensation. The hon. Member should pursue this issue with the trustees of the project.

Mr. Muchiri: Mr. Speaker, Sir, the Assistant Minister says that he is not aware of any demolition that has taken place and yet he again says that they allocated the land in order to upgrade the slum. There could not have been a slum without the occupants. The land in question is the land known as Mathare 4A.

Could the Assistant Minister lay on the Table of the House the agreement that was signed between the German Government, the Kenya Government and the Catholic Archdiocese of Nairobi, whom the Ministry allocated the land when it was being occupied by over 30,000 residents? It is dated 8th January, 1997 and it identified the owners of the houses.

Mr. Tarar: Mr. Speaker, Sir, I am not aware of any agreement between the Government of Germany and

whoever was allocated this land. I am aware that we allocated land to the Archdiocese of Nairobi for projects as registered trustees.

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

Mr. Speaker: No! Ask a supplementary question!

Mr. Muchiri: Let me ask a supplementary question!

(Laughter)

Mr. Speaker: Go ahead!

Mr. Muchiri: What guarantee is there that upon the upgrading of those houses in Mathare 4A, the 30,000 slum dwellers will benefit by being the owners of those houses? This is because in this country, the holder of a title deed is the legal owner of the improvements thereon.

Mr. Tarar: Mr. Speaker, Sir, I have already said that the land was allocated to the Archdiocese of Nairobi and my Ministry, as everybody is aware, is only allocating land to people who have already applied for it.

Dr. Kituyi: Mr. Speaker, Sir, I may want to save the House from imminent confusion. A whole Assistant Minister has told us that he is not aware of any problem of squatters since nobody is being displaced. He is also confirming that land has been allotted to the Archdiocese of Nairobi and not to squatters, as trustees and he does not know of any guarantee of that land reverting to squatters after development. What is he aware of? What security does he have for the 30,000 squatters?

Mr. Speaker: That is not a supplementary question!

Dr. Kituyi: Mr. Speaker, Sir, no! That is the Question which has been asked and he is refusing to answer it.

Mr. Speaker: Order! I overrule you. You should have put it like this: "When are you going to---" Then, you have to---

Dr. Kituyi: Mr. Speaker, Sir, to answer the question---

(Loud consultations)

Mr. Speaker: Order, hon. Members! Can we follow this?

Mr. Imanyara: Mr. Speaker, Sir, a long time ago, all allocations of public land used to be preceded by advertisement in the *Kenya Gazette*, inviting those who have qualified and those who are going to set up businesses like the Archdiocese to apply. When was the policy changed, and for what reason, other than to enable grabbing of public land for private use?

Mr. Tarar: Mr. Speaker, Sir, I hope the policy still stands.

Mr. Muite: Mr. Speaker, Sir, could the Assistant Minister enlighten this House as to whether his Ministry has a policy of giving preference to squatters, when they are allocating land that is being settled on by squatters? Do you have a policy to ensure that it is the squatters who will be settled on that land?

Mr. Tarar: Mr. Speaker, Sir, my Ministry views squatters and other Kenyans who are landless in the same way.

(Loud consultations)

Mr. Speaker: Order! Time up! We have to worry about the time!
For the second time, Mr. Kariuki's Question!

Question No.405

SPECIAL SCHOOLS FOR HIV/AIDS ORPHANS

Mr. Kariuki asked the Vice-President and Minister for Home Affairs, Heritage and Sports whether, as a way of eradicating poverty and other social ills associated with the increasing number of street children and HIV/AIDS orphans, the Government could consider building special homes and schools for street children and HIV/AIDS orphans.

Mr. Speaker: Is the Minister for Home Affairs, Heritage and Sports not still here? Mr. Kariuki, they are not present! Could I defer it to next week?

Mr. Kariuki: Mr. Speaker, Sir, I am once again at a loss why this Question was transferred to the Office of the Vice-President and Ministry for Home Affairs, Heritage and Sports, whereas it talks about HIV/AIDS orphans and this falls under the Office of the President? Could either of the Ministries respond to that?

Mr. Speaker: I do not know! I will ask the Clerk of the National Assembly to liaise with them and ask them what is happening, then we will know the response next week.

(Question deferred)

Question No.106

INSURANCE OF GOVERNMENT VEHICLES

Dr. Kulundu asked the Minister for Finance why Government motor vehicles are not insured.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Speaker, Sir, I thought I had apologised for coming late.

I beg to reply.

(a) Government motor vehicles are not insured because under the Laws of Kenya, Chapter, 405, the Insurance Act, motor vehicles third party risks, Section 403, they are exempted from third party risks while being used for official purposes.

Dr. Kulundu: Mr. Speaker, Sir, that is an incredible answer. The piece of legislation that the Assistant Minister is referring to was enacted way back in 1946 and it gives sweeping powers to the Government and owners of farm machinery such as tractors and lorries to maim and kill Kenyans at will and get away with it, without any compensation.

Mr. Speaker, Sir, essence of this Question is finding out the rationale and logic behind this thing being in the law. Can you rationalise the provisions of Cap.405?

Mr. Speaker: That is too long to do in Question Time! I will not allow that. Ask the final question!

Mr. Angwenyi: Mr. Speaker, Sir, at least, we know that this law is archaic and does not take care of the lives of Kenyans. Could the Assistant Minister assure this House that they will make an amendment to the law during the Finance Bill, to ensure that all Government vehicles are insured?

Mr. Arap-Kirui: Mr. Speaker, Sir, the law is not archaic. It is a very realistic law. There is a thing called self-insurance and Government, in this case, is self-insured.

Mr. Keriri: Mr. Speaker, Sir, the Assistant Minister is being very unfair. Besides putting Kenyans' lives in danger - those who are involved in Government cars and accidents - the replacement of those cars, when they are written off, is a very expensive idea. The Assistant Minister says that this Act is very good, in his view. Could he tell us how much the Government spends in compensating the lives of those who are killed and in replacement of cars that are involved in accidents, so that we can compare the comparative cost benefits?

Mr. Arap-Kirui: Mr. Speaker, Sir, it is obviously not possible, with the notice given, to give the detailed information that the hon. Member has asked for. But it stands to reason that statistically, once the numbers involved are as high as the vehicles that the Government has, it is always a lot better to self-insure than to pay exorbitant fees. It is the whole logic behind the insurance business in the first place. It is because of the numbers they are able to do business. Otherwise, if the numbers did not work in their favour, the insurance companies would not be in business.

Mr. Imanyara: Mr. Speaker, Sir, you heard the Assistant Minister answer the Question by referring to third party risks. The question was with regard to all insurance policies. The answer that the Assistant Minister gave is in relation to third party risks. Is it in order for him not to answer the Question that was asked, by limiting the answer to only third party risks, when the Question relates to all insurance?

Mr. Arap-Kirui: Mr. Speaker, Sir, it is not compulsory for anyone in this country to take a comprehensive insurance cover. What is compulsory is insurance for third party risks. That is why I referred to third party risks only.

Dr. Kulundu: Mr. Speaker, Sir, you have seen the interest that this Question has elicited among Members of Parliament. The law which the Assistant Minister has just quoted empowers him, under Section 2, to suspend or restrict its operations. Now, he is aware that very many Kenyans have either been killed or maimed by Government vehicles and not compensated at all. Could he consider invoking the powers conferred on him under Section 2 of this Act?

Mr. Arap-Kirui: Mr. Speaker, Sir, as I said, this is a very realistic law and there is no basis at all, for amending or changing it. Anyone who has been hurt or injured by a Government vehicle is entitled to claim compensation from the Government. People who have launched claims with the Government have always been paid.

(Several Members stood up in their places)

Mr. Speaker: Next Question, Mr. Obwocha! The Law is there and it is only Members of Parliament who can change it.

Mr. Obwocha: Mr. Speaker, Sir, I beg to ask Question No.325 for the second time.

Question No.325

DEBT PORTFOLIO OF NBK

Mr. Obwocha asked the Minister for Finance:-

(a) how much money the Kenya African National Union (KANU) owes the National Bank of Kenya;

(b) whether he is aware that non-payment of Kshs300 million debt is causing concern on the debt portfolio of the bank; and,

(c) when this money will be paid.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Speaker, Sir, I have already apologised for coming late. However, I beg to reply.

(a) As hon. Members are aware, Section 33(1) of the Banking Act prohibits disclosure of information on anyone's account without written approval. In view of this provision, I am unable to disclose any of the information being sought.

Mr. Sungu: On a point of order, Mr. Speaker, Sir. This matter hinges on the supremacy of Parliament. Under what circumstances can Parliament not be told the truth about a matter that is of grave importance to this country?

Mr. Speaker: Order, Mr. Sungu! I think what you should have asked is whether the law exists. I have ruled on this issue more than twice in favour of what the Assistant Minister has said. That is what the law says.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. In order to have consistency in our proceedings, I do recall that this matter did come up once in this House and names were actually tabled here. Those names, today, constitute part of the proceedings of this House. Subsequently, there has been a different practice. I think the Chair could clear some of those cobwebs once and for all!

Mr. Speaker: I think, even subsequent to that, I did lay down the law as it is. Any attempts to overrule the ruling of the Chair will not be accepted. I do not even know how this Question was accepted the way it is. So, I overrule the Question.

Mr. Obwocha: No! No! On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Obwocha! You must understand that there is one Speaker, and that is the person who has the responsibility to guide the proceedings of this House. You must respect that, including the decisions of the Chair. If you do not agree, there is no point of you rising under that heavy protestation! Somebody has to make a ruling and I have done it!

Mr. Obwocha: On a point of order, Mr. Speaker, Sir. This is the Kenya National Assembly! If the representatives of the people cannot be heard in this House, where else can we take the grievances of the people? We may not discuss about the money here, but there are certain fundamental issues raised by this Question, which affect this country. For example, the money which was appropriated by this House in 1972/1973 financial year, to build Kenyatta International Conference Centre (KICC), which is now on the verge of being auctioned by the National Bank of Kenya! The Chair accepted this Question because there was already a precedent, as hon. Anyona has stated here! I believe that there is nothing wrong with this Question. There are certain issues which we would like to raise about this Question.

Mr. Speaker: Order, Mr. Obwocha! Yes, there is the supremacy of Parliament at stake, but Parliament has no business to go and know the accounts of Mr. Obwocha, or any such other private organisation!

Mr. Murungi: On a point of order, Mr. Speaker, Sir. We always respect decisions made by the Chair. But this House is also under scrutiny from Kenyans. Whereas we do not want to know the details of the accounts of KANU--- In fact, even Members of Parliament are being auctioned by the National Bank of Kenya. Is that bank practising some discrimination? Some Members of Parliament who owe that bank just a few million shillings have had their utensils auctioned! A national party like KANU cannot be a private body! This is a public body and we all have interest in knowing how the accounts of KANU are being managed! Could you advise the House so that we can ask this Question?

Mr. Speaker: Order, hon. Members! You enacted the Banking Act and you prohibited the disclosure of the contents of an account by the bank to any third-party apart from the account holder. There is no provision in that Act for any exemption, whatsoever, either to any person or a group of persons. If this House thinks there ought to be exemptions to the provisions of the Banking Act, then you are at liberty to amend the law to accommodate that provision. That is the law. It is the business of the Speaker to apply the law as it is, and that is it!

Mr. Karume: On a point of order, Mr. Speaker, Sir. I do not want to challenge the Chair but if you may remember, two years ago, the same bank allowed the then Minister for Finance to table in this House the names of those people who owed it money. In fact, he gave the name of each loan defaulter and how much he owed. What is the difference here?

Mr. Speaker: Order, hon. Members! I invite all of you to go back and look at the HANSARD in order to know what happened after that. You will find the ruling of the Chair then. That ruling still stands. It does not follow that because a mistake has been made once, that becomes law. Two mistakes do not make a right! Whether or not he made a mistake, whoever you mean by "he"--- In fact, I do not know whether it is "he" or "she". You probably know what you are talking about, but that is the law. If this House is aggrieved by the effects of any Acts of Parliament, the only competent authority on the land to rectify that anomaly is this House. But to ask the Speaker to amend the law on your behalf is totally outside the mandate of the Chair, and I will not take that mandate because it does not belong to me.

(Applause)

Mr. Nyachae: On a point of order, Mr. Speaker, Sir. Thank you very much for giving me the opportunity! Firstly, I want to state here that by implication, the man who is alleged to have made a mistake is Mr. Nyachae, who was the Minister for Finance. I deny having made a mistake in this House! It was in the interest of the public! The bank was going down! The crooks who had taken the money had to be known because that is a public institution! Even now, the fact is that the National Bank of Kenya (NBK) has not recovered! The bank belongs to the public.

Mr. Speaker, Sir, at least, what we are expecting, even if they do not want to disclose the figure--- In actual fact, the figure is double the amount mentioned in the Order Paper here! But the truth of the matter is that we do not want a figure. But could the Assistant Minister tell us whether the debt is being sorted out?

Mr. Speaker: Order! Mr. Nyachae, first of all, I did not direct that thing personally to you. I said that if a mistake has been made once, it does not follow that you must make it again because it will not be right. That is a common expression. I am not quite sure whether the Chair should actually be drawn to this issue of whether customers of a certain bank are crooks or not. That is not known by the Chair because I am not working for any bank. But I must say this: At least, I do agree with you that without going into the content of the account, could the Assistant Minister tell the House, as a matter of fact, whether or not that particular debtor, whether a debtor at all, intends to pay or has paid whatever the amount is?

(Applause)

Mr. Arap-Kirui: Mr. Speaker, Sir, while I would obviously wish to comply with your request, I think my hands are very much tied under the law! Any suggestion about a customer operating his or her account in one manner or another is already disclosing information on that account.

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

Mr. Speaker: Order, Mr. Michuki! Could we hear what he has to say first? In the end, you will ask me to make several rulings. You must give me the chance to hear what he has to say! So, let him say his piece!

Proceed!

Mr. Arap-Kirui: Mr. Speaker, Sir, as I was saying, any comment on the account at all, is indirectly giving information on that account. Without going against your ruling in this matter, I think my hands are really tied!

Mr. Speaker: Order, Mr. Arap-Kirui! Could you just help the Chair? For example, does the Act prevent you from saying that your neighbour next door is a debtor to bank "y" without necessarily saying how much money is owed? I would like you to help the Chair!

Mr. Arap-Kirui: Mr. Speaker, Sir, I think the word used is if the information would disclose the financial affairs of any person! Any comment would disclose the financial affairs of that party.

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

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

Mr. Ndicho: I have got the point of order!

Mr. Speaker: Mr. Michuki, I have given the chance to Mr. Ndicho! I will come to you!

Mr. Michuki: But I have been standing here for the last half hour!

Mr. Speaker: Order! Mr. Michuki, you are not any different from all the other Members and you cannot claim priority! It is up to the Chair to recognise any Member it feels like doing so!

Proceed!

Mr. Ndicho: Mr. Speaker, Sir, Section 33 of the Banking Act that the Assistant Minister says is prohibiting him from disclosing the information has got four exceptions. Section 33(1) is about the personality himself disclosing the affairs of his account. Section 33(2) is when the court can order that to be known. Section 33(3) is in the interest of the public. So, the same law that he is saying cannot allow him to answer the Question gives him mandate, under Section 33(3), to disclose the account in the public interest! Is he in order to defy that part of the law?

Mr. Speaker: What is your response?

Mr. Arap-Kirui: Mr. Speaker, Sir, while I do not have the particular sections that the Member is referring to, I need to be guided by yourself on what is the public interest in this issue. The affairs of KANU or DP are for its members and not the public!

Mr. Sungu: On a point of order, Mr. Speaker, Sir. This matter goes back to what I raised first without completing; that the supremacy of Parliament is in question here! If the courts can order the disclosure of the accounts, and the supremacy of Parliament is set out in the Constitution, and the Constitution is above the law that he is quoting, then what are we doing here as Members of Parliament?

Mr. Speaker: Order! I want to put this on record: Supremacy of Parliament is there, but Parliament has no supremacy over your individual affairs. It would be a tragic day for Kenya if, for example, this National Assembly will go prying upon the individual accounts of Kenyans. I do not think you ever decided that way, but let me--- As far as I am concerned, individual affairs--- In fact, Parliament has no jurisdiction over the individual activities of private Kenyans. But as to whether a political party is an individual is a different issue.

(Loud consultations)

Order, all of you! Order, hon. Members! It is not sufficient that we must take away all the time of Parliament by hon. Members standing on points of order on this particular issue, without even showing the slightest way forward! If you want to help this House, then you must show the legal way forward!

Mr. Michuki: Mr. Speaker, Sir, I rise to seek your guidance on the way forward. On the basis that this House can discuss any matter concerning this country, could we not - and this is where I seek your guidance - apply Standing Order No.169 where Members of this House could discuss this matter in the absence of strangers?

(Loud consultations)

Mr. Speaker: Order, hon. Members! You are distracting the Chair even when we are talking about very important issues. The way forward that I am looking for is that one which you can show the [Mr. Speaker] Chair that the provisions of section 33 or any other Section--- Unfortunately, we do not even have a copy of the Banking Act before us and I do not read by osmosis!

(Laughter)

Neither should I be forced to do things that are not possible.

(Mr. Karume consulted loudly)

Order, Mr. Karume! Will you keep quiet and obey the Chair or I will see you out?

An hon. Member: Hata mzee kama huyu?

(Laughter)

Mr. Speaker: Order! I do not intend to send wazees out unless they insist. So, I hope this mzee will not insist.

I will not have the time to look at this issue correctly, but any hon. Member who wants to help this House must begin by helping the Chair. You can do this by addressing the law as it is, and the way forward as it should be.

(Mr. Anyona stood up in his place)

Order! Why do you not obey the law of gravity? Please, sit down until I sit. That is the kind of thing that I would like to be assisted in.

Mr. Anyona, how do we go forward?

Mr. Anyona: Mr. Speaker, Sir, this law was intended to solve a mischief, but instead, it brought in a new mischief. The background of this law is that before it was made, there was no such provision that Parliament cannot ask for this information. Sometime in the 1980s, at the height of the one-party State, Questions were raised here in the House. I was in detention at that time, but I happened to know that the Bank of Baroda was being used as a conduit to siphon money out of the country. Hon. Members asked Questions in this House. Instead of answering these Questions, the then Attorney-General introduced an amendment to the law, to create this current problem. Since this matter will arise again and again, the Chair may well consider advising the Ministry of Finance to regularise the position by bringing an amendment where we have the *status quo* as it was before. That is the way forward.

Mr. Speaker: At least, I am grateful that I am not the maker of this law. From what you have stated, this law was not made by the Chair. It was made before I even became an hon. Member. It does exist and it needs to be addressed. Hon. Members, let me look at it and come back. I will make a ruling.

Mr. Obwocha: Has the Question been deferred?

Mr. Speaker: Order, Mr. Obwocha! When I say I will address the issue, I will do so. The Question cannot progress until I have addressed that issue. If the end result means that you will not ask the Question, then so be it. If it means that you will ask it, then you will do so. So, there is no point in following it up. I will address the issue.

(Question deferred)

QUESTIONS BY PRIVATE NOTICE

DISRUPTION OF KAPCHEPKORO PRIMARY SCHOOL HARAMBEE

(Mr. Kimeto) to ask the Minister of State, Office of the President:-

- (a) Why was the Harambee for Kapchepkoro Primary School in Sotik Constituency, by councillor Maritim of Kapchepkoro Ward, disrupted by police on 15th June, 2001?
- (b) Could the Minister consider compensating Kapchepkoro Primary School with an amount of Kshs300,000 which was expected to be raised by the guests of honour that day?

Mr. Speaker: Is Mr. Kimeto not here? The Question is dropped.

(Question dropped)

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir. This Question was asked last week and the Minister was unable to answer. So, it was deferred. Maybe Mr. Kimetto is sick today. Why did you drop the Question and he was here last week? Why can you not defer it?

Mr. Speaker: Order, Mr. Angwenyi! Thou shall not wish your colleague ill health.
Next Question!

ATTACK ON MR. MAINA MURIOGA

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

- (a) Is the Minister aware that Mr. Paul Maina Murioga of Kariua Sub-Location in Ruchu Location of Kandara Division was attacked and seriously injured on 7th February, 1999, by Mr. Peter Muigai Kairu and the matter reported at Gacharage Police Base?
- (b) Is he further aware that as a result of the attack, Mr. Maina is now disabled as he lost one leg?
- (c) Is the Minister further aware that the victim, Mr. Maina, was chased away from his *shamba* by the assailant, Mr. Muigai, and now lives at Kamahuha Sub-Location in Maragua Division as a squatter?
- (d) What action is he taking to resolve the dispute between the two and also have Mr. Kairu charged with

assault?

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

(a) I am aware that Mr. Paul Maina Murioga was attacked and injured by his son, Peter Muigai Kairu, after a land dispute.

(b) Yes, I am aware.

(c) I am aware that Mr. Paul Maina Murioga now resides at Kamahuha. He moved out from his original place.

(d) An assault case has been filed in court against Mr. Peter Muigai Kairu. However, the assailant escaped after the incident and is still at large.

Eng. Toro: Mr. Speaker, Sir, the answer is quite unsatisfactory. It means that the Office of the President has not bothered to investigate this case seriously.

In part "c" of his answer, the Minister says: "But I do not know the reason why he moved from Kariua." My Question is very explicit. It states: "Is the Minister aware that the victim, Mr. Maina, was chased away from his shamba by the assailant"?

Mr. Speaker: Eng. Toro, look at the time.

Eng. Toro: Mr. Speaker, Sir, this man wanted to kill his father. He has got no leg now because of the injuries he incurred. He cannot go back to his land.

Mr. Speaker: Eng. Toro, will you ask your Question?

Eng. Toro: Mr. Speaker, Sir, will the Minister have this man arrested, because he is still at large, and prosecuted for injuring his father?

Maj. Madoka: Mr. Speaker, Sir, we are still trying to locate Mr. Peter Muigai Kairu so that appropriate action can be taken. The land dispute is a civil matter which the concerned parties should take to court for determination.

Eng. Toro: Mr. Speaker, Sir, I would like this Question to be given more time because I have no time to ask supplementary questions. It is a very serious issue.

Mr. Speaker: Eng. Toro, if you were asking questions the way they should be asked, you would have asked four questions by now.

Eng. Toro: No, I could not have asked four questions. There is no time for that.

Mr. Speaker: Very well. Time is up.

Eng. Toro: No, Mr. Speaker is unfair!

PRESENCE OF PCS AT KANU/NDP
DELEGATES CONFERENCE

(**Mr. Gatabaki**) to ask the Minister of State, Office of the President:-
Why did all the eight Provincial Commissioners attend the Kenya African National Union's (KANU) and the National Development Party's National Delegates' Conference held on 24th August, 2001, at the Moi International Sports Complex at Kasarani, Nairobi, considering that public service employees who include the Provincial Administration are required to be impartial and to keep out of political parties' affairs?

(Question deferred)

RECOMMENDED HOUSE ALLOWANCE
FOR LECTURERS

(**Dr. Ochuodho**) to ask the Minister for Education:-

(a) Is the Minister aware that University of Nairobi lecturers are threatening to strike over discrepancies in house allowances?

(b) What are the recommended house allowances for lecturers and senior lecturers, respectively?

(c) What plans does the Minister have to stem the looming strike?

(Question deferred)

EVICTON OF KISUMU WEST RESIDENTS

(Prof. Anyang'-Nyong'o) to ask the Minister for Lands and Settlement:-

- (a) Why were occupants of parcel No.934/233 in Kisumu West Location, Maseno Division, evicted from their land recently?
- (b) What is the status of ruling by the Principal Magistrate's Court at Maseno dated 7th December, 1999, on Criminal Case No.216 of 1988?
- (c) What is the Government doing to ensure that these ordinary Kenyans are guaranteed their right to property under the rule of law?

(Question deferred)

Mr. Speaker: We do not have the time. It is 3.30 p.m.

COMMUNICATION FROM THE CHAIR

CORRECT PROCEDURE FOR GUILLOTINE

Mr. Speaker: Order, hon. Members! We will from this moment proceed on the Supplementary Order Paper, the reason being that it contains the correct procedure for guillotine which the original Order Paper does not contain. So, we will proceed under the current Supplementary Order Paper.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. Personally, I have not even seen the Supplementary Order Paper. I rise to seek your guidance on the procedure with regard to Standing Order No.142(1)(6) and (7). Under Standing Order No.142(1) there should be 20 Allotted Days. Today is the 17th Allotted Day. There is still time and yet we are going into Guillotine today.

I did not quite understand that. There is an ambiguity about whether the Vote on Account under Standing Order No. 142(6) is part of the allotted days. We so agreed, but the counting does not seem to have been included. So, I thought, maybe, you would like to clarify that to the House.

Mr. Speaker: Order! Yes, you are right. We have 20 Allotted Days which we must finish before the end of the month. This business was decided by the House Business Committee and I preside over the decisions of the committee. It is not unlawful. There are instances where this House has had only five Allotted Days. There are instances it has had 10, 15 and, in very rare cases, 20 Allotted Days. This is a decision of the House Business Committee and I am presiding over their decision, and that is my job which I have to do.

Next Order!

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: Overruled!

Mr. Angwenyi: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: Sorry! Time up!

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

Mr. Speaker: What is it?

Mr. Angwenyi: Mr. Speaker, Sir, we are going to discuss more than half of the Budget of this nation and this country is going through a period of scarcity of resources and poverty. We should be allowed adequate time to discuss the small Budget and amount of resources that we have. Therefore, which way can we use to override the decision of the House Business Committee so that we can give adequate attention to this matter?

Mr. Speaker: Order! Order, Mr. Angwenyi! You belong to a political party; consult your party. You are represented on the House Business Committee!

(Laughter)

Next Order!

(Several Members stood up in their places)

Mr. Speaker: Order! Minister, will you take the Floor?

COMMITTEE OF SUPPLY

*(Order for Committee read being
Seventeenth and Last Allotted Day)*

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 07 - Ministry of Finance and Planning

The Minister for Finance (Mr. Okemo): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair. I now wish to move Vote R07 and Vote D07, Ministry of Finance and Planning for debate by this House.

Mr. Speaker, Sir, first and foremost, I wish to take the opportunity to thank hon. Members, particularly the Finance Committee of the House, who through their constructive criticism, comments and suggestions and have assisted me especially in my function as Minister for Finance.

We, in the Ministry of Finance and Planning, believe that this is the best way to enable us improve on the performance and service delivery to the people.

Mr. Speaker, Sir, the vision, mission, strategic objectives and functions of the Ministry of Finance and Planning should be viewed in the context of developing sound economic and financial management policies. The long-term vision is to achieve excellence in the effective management of the economy in order to maximise the welfare of all Kenyans. In broad terms, the Ministry's mission is to spearhead rapid and sustainable economic development of the country, through visionary economic planning, prudent fiscal and monetary policies in liaison with the Central Bank of Kenya; effective management and co-ordination of Government financial operations, and optimum allocation of resources.

Mr. Speaker, Sir, before I tackle details of the estimates of my Ministry, which form the basis of today's debate, allow me to highlight some of the key responsibilities and functional mandates that fall under my Ministry. They include the following: economic policy formulation, evaluation and monitoring of economic issues, national budget co-ordination and control, foreign aid and assistance, Government borrowing and expenditures, revenue collection, overseeing and regulation of financial services sector, which includes bank and non-bank financial institutions, insurance sector, Capital Markets Authority, Nairobi Stock Exchange and so on---custodian of Government assets and property, Government Coast Agency, public procurements, restructuring of public enterprises through divestiture, concessioning and so on, national development planning, Central Bureau of Statistics, National Council for Population and Development, Kenya Institute of Public Policy Research and Analysis *et cetera*. These functional mandates are broadly consistent with the role of the Ministry of Finance and Planning in the running of the economy.

Mr. Speaker, Sir, let me now focus on the functional roles of the Ministry. These mandates which are executed by different departments ensure that national resources are efficiently and effectively managed and equitably distributed through the various Ministries and departments. Sound fiscal and monetary policies are very important in the promotion of economic growth. The Fiscal and Monetary Affairs Department co-ordinates these policies. This involves the co-ordination of taxation policies, collection of revenues to finance the Budget, and formulation, in consultation with the Central Bank of Kenya, of monetary policies to regulate the financial sector. The financial sector plays a major role in trade facilitation as well as promotion of private sector investments. In order to encourage good partnership in national development, the Government gives various fiscal incentives to churches, NGOs and other development partners and the private sector in general, especially in areas where they make direct contribution to poverty reduction.

Mr. Speaker, Sir, the domestic and external debt burden has become a major problem to developing countries, including Kenya. This is mainly due to the fact that it takes a large part of ordinary revenues in terms of interest and principal payments. To address the debt problem, the Ministry has strengthened our debt management division within the Ministry, in the Fiscal and Monetary Affairs Department, to co-ordinate debt management policies. The Budgetary Supply Department co-ordinates the preparation of annual budget estimates. It releases Exchequer requirements to the line Ministries and monitors expenditure trends through budget reviews. The department strives to allocate resources to spur economic growth, create employment and reduce poverty through the Poverty Reduction Strategy Paper (PRSP) prioritisation process. It is also responsible for effective budget implementation and expenditure management.

Mr. Speaker, Sir, the External Resources Department is charged with co-ordination of resources mobilisation externally, to finance Government projects and programmes. It is the responsibility of this department to ensure optimal access to external resources and also to ensure that agreements signed between the Government of Kenya and

our development partners are in the best economic and development interests of the country.

Mr. Speaker, Sir, hon. Members are aware that there are some outstanding issues on the agreed conditionalities with the Bretton Woods institutions, and these have a bearing on our ability to access programme finance. I would like to take this opportunity to restate the Government's commitment towards the reforms, and to underscore the importance of the support of this House on the efforts to access these funds.

The Central Bureau of Statistics (CBS) is charged with the responsibility of collecting national statistics useful for policy formulation, planning, monitoring and evaluation. It collects, analyses and produces data for all sectors of the economy. Some of the data collected and maintained by the CBS include population census, consumer price indices and national income accounts. The hon. Members are familiar with the Annual Economic Survey compiled by the department and laid before this House during the presentation of annual budgets. It also publishes various important statistical documents, which include the statistical abstracts, leading economic indicators and monthly inflation figures among others.

Mr. Speaker, Sir, the liberalisation of the economy and the elimination of Government controls led to the creation of the Monopolies and Prices Commission, which is charged with encouraging and sustaining competition among market players in a liberalised economy. The department fulfils this mandate by safeguarding the consumer against restrictive business practices such as price-fixing cartels, collusion, bid-rigging, market allocation and abuse of monopoly power, among others. These restrictive business practices result in inefficient use of development resources, which lead to low levels of development, high prices of goods and services, as well as reduced consumer benefits. To ensure that the consumer and the whole economy reap the benefits of liberalisation, the Monopolies and Prices Commission needs to be strengthened so that it can promote and encourage competition in the economy, particularly through capacity-building in terms of manpower and information technology.

Mr. Speaker, Sir, the role of information technology in national development cannot be over-emphasised since it is central to modern economic development. The department will be strengthened and given adequate funding in order to keep abreast of recent technological development. The role of the department in supporting information technology development in all Ministries, departments and districts will be strengthened in order to improve information sharing. The Government is in the process of putting in place information technology policy to guide operation of information communication technology in the country.

Hon. Members are aware of the very many concerns that have been raised in this House regarding pension payments. Presently, pension payments take about 9 per cent of the non-discretionary expenditures included in the Budget for the Year 2001/2002. Pension administration will be improved and the period taken before a pensioner receives his benefits will be shortened through the use of information technology to speed up the process, and improve record-keeping. During the last financial year, the department processed and paid 35,208 pension claims compared to 39,778 pension claims processed in the last five years. This is clearly a major achievement and re-affirms our commitment to improve the processing of pension benefits. However, for long-term sustainability, we need to consider seriously the possibility of introducing funded pension schemes to which both the employer and the employee contribute.

As part of the public sector reform and building on the experience and success of the already established project bank accounts in the districts, the Treasury, beginning this financial year, opens separate bank accounts for each Vote at District Treasuries, which are headed by District Accountants. This approach will ensure that Accounting Officers issue authority to incur expenditure directly to their departmental heads, and that cash allocated to them from the Exchequer will be strictly spent on the activities of their departments. This new arrangement will improve cash flow to the districts, ensure that development programmes and activities are implemented on schedule, and improve efficiency and accountability of the funds allocated to each project in the districts. In addition, beginning this financial year, Ministries have been directed to disaggregate their budgets according to districts. I am happy to report that most have complied.

Mr. Speaker, Sir, there is a number of smaller other departments such as the Rural Planning Department, which deals mainly with rural development and focuses on the poverty reduction strategy in sectoral areas. We also have the Basic Infrastructure Department, which works closely with the Ministries that deal with infrastructure. We have the Human Resources and Social Services Department, which basically deals with formulation of social policy aspect in line with related sectors. We also have the National Council for Population and Development. This is responsible for the formulation, management and co-ordination of the implementation of the national population policies. The funds that will be voted for this department will enable it to deal with the challenges of population growth and matters touching on the spread and control of HIV/AIDS.

We also have the Public Procurement Directorate, which is a newly-created public directorate, which serves as the central organ for policy formulation and implementation as well as human resource development in this very specialised area, to oversee the public procurement process in Kenya. In order to assist the department fulfil its

mandate, I am seeking funds for the purchase of necessary equipment, training and for operational expenses. We also have the department of Government Investments and Public Enterprises. The privatisation of public enterprises continues to be an essential policy of Government. Efforts are currently on-going to progress the sale of the 49 per cent Government equity stake in Telkom Kenya Limited. In addition, the Government has offered its 50 per cent shareholding in Mumias Sugar Company to the public through the Nairobi Stock Exchange. Similarly, the Government will be divesting out of the remaining 35 per cent shareholding in the Kenya Commercial Bank. It will also fully privatise the Kenya Re-insurance Corporation during this financial year.

We have commissioned studies to determine private sector participation options in the power sector, the water supply and sewerage services. We are also looking into ways of funding advisory services to concession the operations of Kenya Railways and the Kenya Ports Authority container terminal. In addition, the Government is in the final stages of drafting a Privatisation Bill, which will be brought before this House for debate and eventual enactment. We also have the National Development Plan Department. As you know, universally, this department deals with the various economic issues that are put together in order to prepare a National Development Plan. In order for the Government to be prudent in the allocation of resources and maximise socio-economic development, it must do national development. Since Independence, the Government has formulated and implemented eight National Development Plans and six District Development Plans, with the current 1997-2001 National Development Plan and District Development Plans coming to an end by December, 2001. The coming plan, which will be the Ninth National Development Plan, will cover the period 2002-2008. The Seventh District Plan will be launched on 12 December, 2001, to coincide with Jamhuri Day celebrations, as has been the case for previous development plans.

Mr. Speaker, Sir, we also have pre-shipment inspection. A substantial provision has been included in the Ministry's Vote to take care of the contract for pre-shipment inspections by M/s Techna S.A. and M/s Intertake Services. The hiring of the two firms was with a view to enhancing revenue collection and ensuring high quality standards of goods being imported into the country. In addition, the pre-shipment inspection companies assist the Kenya Bureau of Standards and the Kenya Revenue Authority to establish, before shipment, the quality, quantity and value of goods, and to indicate duties and taxes that are to be collected by the Kenya Revenue Authority's Customs Department.

Other allocations included in the Ministry's Vote include the following. Under the Recurrent Vote, we have an allocation of Kshs4.5 billion that will go towards the payment of adjusted house allowances for all civil servants. This will also cover disciplined forces as well as teachers as announced by His Excellency the President during his Madaraka Day Speech. In addition, there is a total of Kshs63.8 million which has been included to cover group personal accident for all civil servants. A provision of Kshs5 billion is also factored in under the Ministry's Development Vote for settlement of pending bills through the issue of Treasury Bonds. Other major provisions are one-line transfer items to statutory corporations which fall under my Ministry, to meet their personnel and other operational costs. These include, for example, the Kenya Revenue Authority, Kshs2,893,000,000; Capital Markets Authority, Kshs18 million; Retirement Benefits Authority, Kshs48 million, and the Kenya Institute of Public Policy Research and Analysis, Kshs49.3 million.

Mr. Speaker, Sir, in conclusion, in order to render the services I have enumerated above, I am asking this House to approve a gross amount of Kshs11,503,430,400 under the Recurrent Vote, R07, for which the supply is Kshs9,519,553,400 and Kshs1,983,877,000, being Appropriations-in-Aid. Under the Development Vote, D07, I am asking the House to approve a sum of Kshs6,103,148,422, for which the supply is Kshs176,366,710 and Kshs5 billion for the securitisation of the pending bills. The balance of about over Kshs900 million are development funds and loans from our development partners.

With those few remarks, I beg to move.

The Minister for Roads and Public Works (Mr. W.C. Morogo): Mr. Speaker, Sir, I stand to second this Vote of the Ministry of Finance and Planning. In doing so, first I want to commend the Ministers for managing the country's finances, particularly in these very difficult times.

We know that the economy has been going through very difficult times in the last few years. We also know that the Ministry has done its best and we have survived despite these difficulties. I just want to urge the Minister to continue to work even harder and to talk for Kenyans. I know we are in some difficulties, particularly with our development partners, in respect of some measures, which according to them, may be aimed at improving the management of finances in Kenya, but some of them, in reality, have caused some concerns to our people. Indeed, some of them have been the cause of the difficulties in which we are. I want to urge the Minister and his colleague to be more firm in this area so that we can get what we want for the support of our people.

Mr. Speaker, Sir, I say this because I run one of the Ministries which deal with the infrastructure of the country. As we all know, infrastructure is one of the key sectors that support the economy. Roads construction, for

instance, is one of the most expensive exercises to undertake, and we depend on the Ministry of Finance to support us. We want to talk nicely to those who would be willing to support us so that we can provide a better infrastructure to our people.

Of late, there have been difficulties in marketing some of our products, but with the measures we have put in place, we hope that the Ministry of Finance and Planning will support those Ministries and departments that are intended to support our economy. I am glad to note that the economy is now beginning to pick up, but we all must be very disciplined in the way we use our meagre resources. It is not enough for us to look upon the Ministry of Finance and Planning to manage resources alone, but everyone of us, in one way or another, has a duty to manage the little resources that we have so that we can benefit our people.

I want to talk about banks. We know that banks in this country have, in a way, reaped where they have not sowed. Many banks have been established, some of which have looted our people. If we look at those banks which have fallen, we will find that some of them could have been established with good intentions, but did not live long enough to support the economy through supporting our industrialists and farmers. I want to urge the Minister to look into this area very keenly so that we can reap the best benefits and our people can have access to loans. By this, I am not intending to say that I am giving credence to the Donde Bill, but all I am saying is simply that the Minister---

(Applause)

Mr. Speaker: Order, Mr. Minister! There is no such a thing as "the Donde Bill". There is an Act of this House!

The Minister for Roads and Public Works (Mr. W.C. Morogo): I am much obliged, Mr. Speaker, Sir.

The Ministry plays a key role in all financial matters and management of the economy and we look upon it for development. The officers who are managing various departments in the Ministry, particularly those negotiating for aid, should be more vigilant and should put the country first, so that what is negotiated is in the best interests of the land.

Mr. Speaker, Sir, I come from a very arid area of the country. We have problems with water and many other things that our people need. Our people depend on livestock, and at the moment there is no markets for their livestock. We need better planning so that we can get market for our livestock. The Kenya Meat Commission (KMC), for instance, should be revived, so that our people can benefit from it.

I want to urge the Minister to be stronger in managing the Ministry and we will give him the support he requires in our various areas. We will advise our people also to manage whatever resources the Government has put in place well, so that the Government is left to provide what we do not have, rather than keep on repairing what it has already put in place.

With those few remarks, I beg to second.

(Question proposed)

Mr. Keriri: Thank you, Mr. Speaker, Sir. I have no quarrel with allowing the Minister to have the billions of shillings that he wants. He has explained why he wants this money, but I just want to call his attention to a few aspects of his Ministry.

The Minister is in charge of the management of public investments. It is encouraging to hear him say that he is proceeding with privatisation. He has said that he is proceeding with this exercise as best as he can. But we have been going through a very confusing procedure in the privatisation programme. We have never, in this House, seen a Sessional Paper indicating to us what procedure this country should follow to privatise public investments. We have been told about individual cases, and so we have followed *ad hoc* methods in privatising our public enterprises. Therefore, the public has lost money in the process of privatising public investments. In that process, the Government has allowed only a few favoured individuals to own what has been public investments because there is no procedure controlling this system of privatisation. In the same manner, the Government has allowed too much ownership and management of public investments to go into the hands of foreigners. Therefore, Kenyans have not been looked after, as was originally intended.

When the Government went into private investments, the original intention was to create institutions like the ICDC, the HFCK, the Industrial Development Bank (IDB), the Kenya Tourist Development Corporation, *et cetera*, to carry out that exercise. The Government created those institutions and urged them to invest in the industrial, the productive, the service and the financial sectors. The Government intention in doing this was meant to make sure that, at later stage, when these sectors were well developed, our own people would be allowed to take over their shareholding, for those who had invested in those institutions. That is why the Government allowed foreign investors

willing to transfer those investments to the local people to do so. This has not happened as originally envisaged because we have had no procedure put in place. It is unfortunate that, over the time, the Government has decided to do things in an *ad hoc* manner. I do not know what the Government fears because Parliament cannot reject any reasonable Paper that is presented by the Government to inform Kenyans that this is the way things ought to be done.

Many times, the Government comes out in press conferences and the Minister says: "We are going to do the following issues, touching on very important policies, which this country should adopt", but we have not seen any Paper being brought into this Parliament informing Kenyans what should be done. I think the Government has done privatisation

in the wrong way and we have kept on complaining about that. For example, when the Government sells its shares in, for instance, the banking sector; the HFCK, the Kenya Commercial Bank and so on, it becomes a minority shareholder in those institutions. There should be public shareholding which is substantial. When you have the largest single shareholder being a foreigner, then the Government has no authority to appoint more than one or two directors. The public is supposed to be represented in the management of those institutions. Our people have not been adequately educated to know how they should be represented in those financial institutions. When we elect directors, the Government does not assist in such elections; instead, it discourages private shareholding in those institutions by nominating their own directors, as we have witnessed in the past. That way then, the Government allows foreigners to manage those institutions without having the simplest interest in looking after our own people's affairs.

Mr. Speaker, Sir, I know of incidents where foreigners become the highest individual shareholders in institutions, and start replacing the whole complement of staff, who have been trained for about 20 years. After some people have been trained for 20 years, a foreigner comes to replace them with foreigners and says: "I want to replace them with some foreigners or people of my liking." I think it is wrong to do so and we should have a policy of protecting our people against such practice. I think the Government must continue, even when it ceases to hold the majority shares or substantial shareholding, to look after the interests of individual Kenyan shareholders in those institutions. This is because individual Kenyans were shareholders there before, and they know that they have their own shares in those institutions. Each of them has invested his or her little money there. But all of it put together forms a very big shareholding, which must be protected by our own Government. Therefore, the Government must continue to take interest in those institutions, and this will help our people. But at the moment, I do not think there is any policy whatsoever that guides the Government on what to do in these public investments that have been privatised.

Mr. Speaker, Sir, I would have wanted to continue with that aspect, but I would like to ask the Minister to think about ways of protecting our own people. As we continue privatising, we must know what policy the Government is following for whatever remains. Let us formulate some policies in this House for protecting Kenyans.

Mr. Speaker, Sir, there is this idea of "strategic partners". Is there any meaning in strategic partnership? What is this thing called "strategic partners" that we are looking for? For the last 38 years, we have been training Kenyans in all aspects of our economy and our lives. We have trained Kenyans in the management of banks, technical institutions; like the Kenya Power and Lighting Company, the Telkom Kenya Limited, postal services and so on. What are we talking about when somebody comes from outside the country and brings a fellow we do not know anything about that at all, and we call him a strategic partner, just because he is a foreigner! We have Kenyans who can do better jobs, if we looked at our policies well! We have Kenyans who can do better jobs and improve the performance of these institutions! The Government must accept that fact. It is not enough to tell us that, whenever you bring a foreigner, he is a strategic partner! We have Kenyans who can be more strategic, learned and more knowledgeable than those foreigners!

Mr. Speaker, Sir, I want to leave that point and go to another aspect, which I would like to draw the attention of the Minister to, and this is with regard to pensions. We have had cases and a lot of questions being asked about pension in this Parliament. Honourable Members come here to ask questions about long delays in payment of pensions to some very poor former civil servants. Some of those former civil servants are very poor and wholly depend on their pension dues. When pension payments of those poor fellows are delayed - the Minister and his Assistant Minister may start questioning my wisdom in saying this, and he has permission to do it - in fact, you are not only killing the poor ex-civil servant alone, but also his family because by the time he is 55 years old and he retires, he still has very young children in school. The poor pensioner relies on his dues to support his children. There must be a way of hastening the payment of those pension dues to pensioners. The poor fellows need the pension dues to support their families.

Mr. Speaker, Sir, I think the Minister should think about decentralising the pension services. Since he has all the records, he can have all those things done at the district level, if things were organised properly by his district treasuries. I hope that the Minister will comment on that issue when he replies. Secondly, we do not see the same thing happening to pensions every time we have a salary revision. I cannot remember when the pensions were revised upwards last.

I would like to inform this House that the fellows get the same pension they were getting 20 years ago. The Minister should know that the cost of living has gone up, and these people need some element of increase factored in the pensioners' payment. If you continue to receive what you used to receive 20 years ago, you will find that it does not serve the purpose, or half of what it used to pay for in those years. I think this is unfair. The Minister [Mr. Keriri] should consider that aspect, and make sure that the pensioners' payments are revised upwards.

Mr. Speaker, Sir, I would like to commend the Minister, and particularly, the Kenya Revenue Authority (KRA) for their good work. For the last one year or so, that Authority has done far much better than it has done in the previous ten to 15 years. We should give credit where it is due. But there is always room for improvement. I hope that, that improvement will be looked into so that we can collect our potential revenue. There is a lot of potential revenue in this country. Instead of collecting only Kshs200 billion, probably, we can collect Kshs250 billion from the people who pay tax. This would be the case with the Kenya Ports Authority (KPA) if we closed all the loopholes which people use to evade paying tax. If we can do that and the KRA continues to do its good job, we can collect more money. But we should spend this money for what it is collected, and that is the most important thing.

It is only about a year ago when the Government of Norway said that they would discontinue their external aid to Kenya. Today, we were disheartened to read from the newspapers that Belgium will discontinue its aid to Kenya. They said very clearly that they are doing this because corruption is not being minimised at all. We would like to urge the Government to go into this matter more willingly and with a wish to have corruption eradicated. We cannot eradicate corruption completely, but we can minimise it. We had the Anti-Corruption and Economic Crimes Bill which was brought to this House. We, on this side of the House have been accused of having voted against a Bill that was going to help tackle corruption. I think this is a gimmick. You should not accuse people of refusing the worst of the things that you ever brought to this Parliament. We are not discussing the Anti-Corruption and Economic Crimes Bill today, but I think it was a worse written Bill that was brought to this House. In fact, that is the reason why we refused to pass it. I do not want to go on giving the reasons why this Bill was not passed because that is not what we are discussing today. But, please, do bring to this House a Bill that creates an independent Kenya Anti-Corruption Authority (KACA), and we shall approve it the same day. If you bring the Bill that everyone has been talking about; what the people want, we shall pass it the same day. You should not bring a Bill pegged on what the Opposition or the Government wants, but what the people of Kenya want. That is what we want to pass because we are here as servants of the people of Kenya. I think we should do it in that manner.

Mr. Speaker, Sir, it is unfortunate that foreign governments have started to say that they will pull out of this country because we are not doing what our people expect us to do. This is because those foreigners bring money to this country to help our people. I would like to inform this House that the foreigners are not interested in sending money here if it does not help our people. This is because these foreign governments tax their people to help Kenyans. I would like to point out that they are right to pull out if the money they send to this country does not help Kenyans. But we do not want these governments to pull out; we would like the Government to pull up its socks and start doing the right things at the right time.

It is unfortunate that the Minister came up with a set of regulations, which were not brought to this House for debate. The regulations I am talking about are the procurement procedures. Take, for example, the Board of Governors (BOGs) in schools and so on. Initially, we used to have BOGs controlling the administration of the schools in procuring all the items that these institutions required. Today, it is the headmaster or the principal who is the chairman, a number of teachers, one member of the BOG and one member of the Parents Teachers Association (PTA) who do this. This does not sound like an improvement, but a backward movement. In the Government, it is the departmental heads who control the procurement procedures. Who controls these officers?

The Minister should give this House a chance to debate those regulations because I do not think we were given a chance to do that. It is unfair that we are moving backwards instead of moving forward. I thought the Ministry of Finance and Planning had started to improve the tender system about two years ago. There was a Central Tender Board (CTB) which appears now to have been abolished.

(A mobile phone rang in the Chamber)

Mr. Speaker, Sir, the mobile phone which has rung is not mine. That sound is coming from the other end of the House!

Mr. Speaker: I hope whoever has that thing switches it off!

Hon. Members: It is from the strangers' corner!

Mr. Speaker: Well, may all the strangers be warned that the Chair will be very decisive and firm in taking action, if you have that gadget disrupt the business of the House again! It is actually contemptuous of Parliament! Switch those things off! I do not want to deal with a stranger today!

(Laughter)

Mr. Keriri: Thank you, Mr. Speaker, Sir. I was talking about procurement procedures and regulations. I think we should be given a chance to debate this issue. Personally, I feel that we have taken a retrogressive step, instead of a progressive one towards improving our procurement system.

Someone has talked about banks and so forth. There is a point in saying that some sponsors of banks established in this country have been sincere, but a number of them have not. A number of these sponsors have come into the market to collect deposits from Kenyans and use them for their interest, profit and so on. We have cases where deposits have been collected by these people whom I think are crooks. These people collect people's deposits and wait for the bank to collapse, which they know. The Minister should be very vigilant in registering new banks. He should ensure that these people are sincere and the insincere ones do not come into the market to collect people's money, use it and then the institution collapses. When the institution collapses, it does so with poor people's money; some fellows with only Kshs10,000 or Kshs100,000. This is the only money they have. These poor fellows deposit this money in these banks and when they collapse, their sponsors go out very rich. After that, some of these people are taken to court and these cases take a long time. So many procedures are brought about and so many things happen. This case will never end, and by the time it ends the fellow from whom they collected the money would have died as a result of poverty. I think we should be careful as to who we register as sponsors of financial institutions in this country. This is because there are those who are sincere and there are also those who are crooks. The Minister should take care of that. I do not want to take too much time.

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

Mr. Mkalla: Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to contribute to this Motion. First and foremost, I would like to express my sincere thanks to the Minister for Finance and his support staff for being available every time we summoned them to our Finance, Planning and Trade Committee. I think that has made our communication and flow of information very good. This has facilitated understanding in what we are doing.

Mr. Speaker, Sir, I would also like to state that we have noted in the Finance, Planning and Trade Committee, an improvement in revenue collection in the last one year or so, through the Kenya Revenue Authority. I think this is because of the very excellent management styles the KRA personnel have put in place which should be supported by all of us. On that one, I would like to commend the Minister for being very particular in looking for ways and means of improving our revenue to enable us stand on our own as a country.

Mr. Speaker, Sir, on the issue of expenditure, I think there is a problem. I do not think we have put in place adequate austerity measures as a country to control whatever expenditures we incur in this country. We have been quite wasteful in certain areas, like in the Ministry of Environment and Natural Resources and the Ministry of Roads and Public Works, when they are carrying out certain projects. If monies were spent for the intended projects, Kenya would have lesser problems than it has today. I would like to remind the Minister for Finance what we said here. We did agree in this House that we were going to post financial controllers to the various Ministries. But it would appear that there is no effectiveness yet, at the moment, on the work these financial controllers are doing in those Ministries, because the expenditure patterns still are not justified. I think we need to do something there.

Mr. Speaker, Sir, I would also like to comment on the relatively small, but positive growth in the economy, which has been taking place in this country. I know the going has been very difficult, but if there is some positive improvement, it does not matter whatever percentage it is, it is coming. I would only request the Minister for Finance to work hard to improve the margin so that it becomes bigger and Kenyans become happier.

Mr. Speaker, Sir, on the issue of Treasury Bills and Bonds, I think Kenya has been heavily indebted in the last few years, because of the policy we have been using; of Treasury Bills and Bonds as a way of financing our expenditures in this country. I am very happy to state that currently, the policy used by the Ministry of Finance and Planning together with the Central Bank on the issue of Bonds is assisting us, as a country. I think we are in a position to, at least, remove the heavy indebtedness as a result of using Bonds issued to Kenyans. That will probably reduce the level of indebtedness in this country, and probably we will have to ask for lesser money from the IMF and the World Bank, and only look for the goodwill so that we can also live like other people in this world.

Mr. Speaker, Sir, looking at the interest rates in the various banks today, while we are not discussing the Bill which was passed here, I think some of the banks in this country still have not understood why Parliament had wished that we could control interest rates. Today, there are certain banks which are giving interest of less than 10 per cent on deposits placed with them. The same banks are charging interest rates which are above 24 per cent and the margin now is bigger than 12 per cent. I do not understand why there should be something like that. I think this is something the Minister for Finance should look at closely, because that is impoverishing Kenyans by charging too high interest rates to the people who are borrowing funds and giving too little interest on the deposits which are placed by the individuals.

I would request the Minister for Finance to make sure that the Monetary Policy Committee which is supposed to come on board should be there soon enough so that, at least, we are able to monitor these things and not make Kenyans suffer for no good reason.

Mr. Speaker, Sir, there is also an immediate need for us, if we have really to continue getting better revenues for this country, to computerize the operations of the Kenya Revenue Authority, the Kenya Ports Authority and the Kenya Railways Corporation. This will facilitate our trade and also make sure that documents move faster enough. There will be less delays in the operations of these particular organizations which are the backbone of our business in this country, as we are aware that land-locked countries rely on the services provided by the Port of Mombasa. But, these services can only be good if there is a quicker information system in Kenya. For the quick information system to be available, we, therefore, need to quickly computerize our operations so that we are able to compute whatever cost or services to our users and assist them so that we do not face stiff competition from countries which are offering the same services, like Tanzania. I would request the Ministry of Finance to make sure that they provide some extra funding and not the amount they give to the KRA, or look for some cheap funds from outside to enable us purchase computers and other facilities to be able to provide information. In addition to the computerization exercise which I will request the Minister for Finance to support, I would also request him to look for some scanners which will be used at the ports and at the airports. At this time when there is a lot of terrorism, we would like to see that goods which are passing through the Port of Mombasa, or the airports or through any border, are scanned without necessarily opening the containers. That will save our time and we will be able to collect money from that business.

Mr. Speaker, Sir, on the issue of privatization which is going on, we should give opportunities to locals; Kenyans. When I talk of locals, I do not necessarily mean only Africans, but people who originate from this country should be given priority in terms of privatization so that, at least, we are seen to be in control. I am not saying that we should not have any foreigners coming in, but I am saying that most of the shares should be given to Kenyans. Again, I would like to comment on the cost of production because it is actually an impediment to direct foreign investment in this country. The cost of production is very high. For example, the cost of fuel and energy is very high in this country. You will find that the cost of fuel or energy in Egypt and within COMESA region is about 2 cents per unit. Here in Kenya, it is about 6 cents per unit. Therefore, it means our goods within COMESA region are not competitive. This is because we have to inflate prices of our goods. It is a shame that our goods are more expensive than goods from other countries. It is high time the Government looked into ways and means of making sure that the cost of production is actually brought down. We could look for subsidies for some companies that invest in this country so that the total cost of production becomes lower and the cost of our goods becomes competitive within the COMESA region.

Mr. Speaker, Sir, the question of pension has been discussed exhaustively by my colleagues. I think we should look into ways of making sure that we do not delay pension payments. Again, this is related to the flow of information between the Ministry and retirees.

Mr. Speaker, Sir, with those few words, I beg to support.

Mr. Muite: Mr. Speaker, Sir, in supporting this Motion on the Vote of the Ministry of Finance and Planning there are a couple of matters I would like to point out to the Minister through the Chair.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Mr. Deputy Speaker, Sir, the first matter relates to the regime of regulations governing the VAT collections. I have in mind, in particular, the small and medium-scale businesses. The regulations that the Ministry has put in place require the small and medium-scale businesses to keep stock record on a daily basis. This is onerous! This is impractical! This is driving the small and medium-scale businesses into bankruptcy. This is because these businesses will require personnel doing nothing else except filling those forms. Those businesses do not do stock-taking on a daily basis. It is normally done after every three to six months. These regulations are too onerous! In fact, the proprietors of these business are not left with any time to attend to them. I am sure that the Minister for Finance has received many complaints from the organisations of central businesses and I would urge him to review these rules.

The consumers of services of the Ministry of Finance and Planning are the small and medium-scale businesses. These are the people who pay taxes. You have to maintain a balance between driving them out of business and extracting money from them. If you drive them out of business, you will not be able to collect any money from them. Therefore, we must maintain that balance. And the moment the scales are weighed far too much in favour of the other side, let us revise and relax these rules. This is because the big business and multinationals can afford to keep those records. But the small and medium-scale businesses and industries cannot afford to keep records of stock-taking on a daily basis.

Mr. Deputy Speaker, Sir, I know the motive behind stock-taking is to ensure that there is no cheating in respect of VAT. But if we do not get the balance right, then we will end up not collecting any VAT whatsoever. So, let us revise these rules. Discuss them with small-scale business owners. Let us work out a formula acceptable to both the Ministry and the small-scale business owners.

Mr. Deputy Speaker, Sir, the second issue I would like to draw the Minister's attention to relates to the Retirement Benefits Authority (RBA) in respect to management of voluntary retirement benefit schemes for small and medium-scale businesses. As you remember, all these are compulsorily brought under the RBA. Now, what they have done is to go and enact regulations that impose certain management requirements on all these voluntary schemes. Therefore, auditing of these schemes is very expensive. They are charged Kshs30,000 per scheme. I know this because I have talked to a number of insurance companies. They have even suggested a solution; namely, to group together a number of small businesses, so that they can manage their individual schemes under one umbrella and thereby bring the cost down.

That is something that should be investigated and, perhaps, authorised. Again, what is happening is that the management of these private schemes is becoming far too expensive. Therefore, the small-scale businesses and industries are actually dissolving schemes which they had started for their employees because they can no longer afford to manage them as a result of the bureaucracy and regulations that the Ministry of Finance and Planning has imposed. Again, I would urge the Minister to look into this. We need to be sensitive about the small scale businesses and industries. That is the bedrock of any economy of any nation.

The other matter that I would like to mention relates to privatisation. Any country has to support its own priorities ahead of everything else and not what we are being told to do by the World Bank and other donor agencies. The question is: What is best for us as a nation? I would invite the Minister to consult with the hon. Attorney-General who is his neighbour there, where they are seated, and I believe also at home. They can also discuss privatisation in the Luhya language so that they can come up with regulations to regulate privatisation in this country. There is no law that regulates privatisation in this country. What I have in mind--

The Attorney-General (Mr. Wako): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to say that we can discuss privatisation in the Luhya language when he knows very well that we can also speak the Kiswahili language which is an official language in this House?

Mr. Muite: Mr. Deputy Speaker, Sir, I did not mean that they should discuss it here. But I meant during the *Isikuti* dance when they are happy in Vihiga. They can discuss privatisation in that language!

Mr. Deputy Speaker: Order! Mr. Muite, whether a fact or anything else, if those rules were made in the Luhya language you would not follow them. Would you?

Mr. Muite: Mr. Deputy Speaker, Sir, what I have in mind is that we ought to have a law in this country to regulate privatisation. That law should require that when you are privatising Telkom (Kenya) Limited, or any other public corporations like Kenya Railways, that only 60 per cent of the shares be sold to the so-called strategic partners. 40 per cent of the shares should be floated in the Nairobi Stock Exchange and sold only to Kenyans. That law should require that no Kenyan will buy more than 5 per cent of the shareholding. Let us spread them amongst Kenyans. Otherwise, what will happen is that we will be owned by the multinationals. If we do not cater for the interests of our own people, we will be wholly-owned by the multinationals.

We are introducing colonisation through the back door. This is because, when you do not have money, you are fully colonised. Now, they are not colonising us through administration, but through the economy.

Related to that is the issue of policy decision by this Government when you look at what happened in USA following the September 11th bombing of the World Trade Centre. The Federal Reserve Bank released, within a matter of days, over US\$100 million into the money market to ensure that the economy of the USA withstood the shock that, that particular event of 11th September was going to occasion to it. They followed it up by reducing interest rates. In other words, borrow a leaf from what other countries are doing. Do not be obsessed with such issues as budget deficit and other considerations. The USA economy was only slowing down; it was not in severe recession as ours. We used to say that our economy is in ICU. Our economy today is actually being sustained by life-breathing machines. That is what is sustaining our economy. It is not just in ICU.

Mr. Deputy Speaker, Sir, if we have to resuscitate this economy, we have got to bring down the interest rates. Provided the budget deficit is not going to be widened as a result of Government expenditure, the money should be channelled to the private sector. But you have got to encourage consumers and people to invest. They cannot invest at the current rates of interest. Therefore, I would plead with the Minister to withstand the lobbying that I know is going on from the multinational banks in order to amend the Act we passed here to regulate the interest rates. Because, besides going to the court, there is a lot of lobbying going on with individual hon. Members of Parliament, and I know it must be going on with the Minister for Finance. I hope that even the Attorney-General will be able to withstand that

lobbying and withdraw any Bill that he might, otherwise, be tempted to bring to this House. If he does, we are going to throw it out. The Minister should consider the interest of the majority of Kenyans and not the multinationals. For too long, the multinationals have been able to pass on the burden of carrying the result of the mismanagement of the economy on the ordinary man and woman in this country. It is only when we passed this law, that for the first time they are now crying.

I beg to support.

Mr. Angwenyi: Thank you, Mr. Deputy Speaker, Sir, for giving me a chance to contribute to this important Vote of the Ministry for Finance and Planning.

Mr. Deputy Speaker, Sir, in April 1998, Kenyans were told by Minister for Finance that the economy of this country was in the Intensive Care Unit. Kenyans were called upon to spare no effort in trying to get the economy out of the Intensive Care Unit. What has happened is that, instead of the economy improving, it has deteriorated further. In fact, today the economy is comatose. We do not know whether it will ever be resuscitated. This economy is in a very bad shape because of the following reasons: First we seem to be listening more to the foreigners than Kenyans. We are not supporting our agricultural industry. The coffee industry which was one of the main sources of revenue for this country is non-existent. The sugar industry is being destroyed while we are watching. The people who are destroying the sugar industry are the same people who have been given the responsibility to nurture and promote it. They are the same people who are importing and dumping sugar in this country. They bring the sugar to the Port of Mombasa, then they do not clear it so that they can be able to buy it through auction in order to avoid paying tax. They then end up destroying the sugarcane farmer in Kenya.

Mr. Deputy Speaker, Sir, the tea industry is being destroyed because we have agreed to abide by the COMESA rules which are against us, whereby a country imports cheap goods and produces from other countries and dumps them in the COMESA region including Kenya. When we say no to this practice, they levy tariffs on our tea.

We have not give enough support to agriculture by not allocating adequate funding to our infrastructure, for example, roads. More than a half of the tea produced from Gusii land goes to waste because we have no proper roads to transport that tea to the factories so that we can earn foreign exchange for this country, so that thieves who are in Government can have more funds to use.

Mr. Deputy Speaker, Sir, we have not been able to assist the tourism industry. A country like Egypt generates US\$8.5 billion per year through tourism and yet Egypt is not far away from us. There are better tourist attractions in this country than the pyramids of Egypt. But we have not supported that industry. Instead we are levying other taxes on that industry. We seem not to mind the loss of jobs caused by the reduction in bed occupancy in our hotels in the Coast region and other areas simply because we want to raise more taxation without caring to know where that tax is going to come from.

Mr. Deputy Speaker, Sir, we have opened up ourselves in the name of liberalization and yet we subscribe to the AGOA of America. Why do we have the AGOA in America? This is because America has put some roadblocks to the entry of goods into that country. They have given us that privilege and yet this country has opened up to anybody who wants to dump anything into this country, for example, *mitumba* and contraband goods. The Ministry of Finance and Planning which is charged with the responsibility of taking care of this economy, is not doing what it is supposed to do. The level of unemployment in this country is very high. No wonder students in high schools and colleges are always going on strike. They have no hope of getting jobs when they complete their education, and so they decide to go on strike so that they can extend the time they stay in school. Our economy should create jobs for our people.

Mr. Deputy Speaker, Sir, there was Kshs8.5 billion given by the EEU in 1998 for small-scale enterprises in this country at a cheap rate. But that amount of money is lying in commercial banks throughout the country. It has not been given to the people who should have benefited from it. This Ministry claims to be striving to create jobs, improve the economy of this country and eliminate poverty and yet they cannot extend those funds to the people who were supposed to benefit from them.

Mr. Deputy Speaker, Sir, we know we have very poor relations with the IMF and the World Bank, and yet, we have factored a very large portion of their funds into our Budget on the assumption that we will have good relations with the two institutions. We cannot have good relations because we have decided not to enact an effective law to deal with corruption. Why do we not want to enact this law? Are we really interested in assisting the people of this country? If we are, we should have a consultative forum for hon. Members from both sides of the House and agree to enact an effective law with very severe sanctions against those who may be corrupt or may want abuse their offices.

Mr. Deputy Speaker, Sir, banks in this country are not extending services to our people. In fact, all these banks should fold up. Today, you cannot borrow even a penny from the banks because they want to work against the Parliament of this nation. I am surprised that the Minister wants to introduce a law to assist the banks not to extend credit to our people. We passed a law on interest rates which has not been effected because some foreign banks do not want us to effect it. Taxation in this country is very high. About 23 per cent of our gross earnings is taxed. That is the

highest, and in a poor country, it destroys the fibre of economic development.

Mr. Deputy Speaker, Sir, we decontrolled the exchange rate in this country, but you can see half of that cost. When we had a regime of exchange rate controls, this economy was growing at 6, 8 or 10 per cent per year. Now, we have removed those exchange rate controls, and our economy is deteriorating. This year, I bet, it will be about minus 5 per cent. We may have to introduce exchange rate controls, so that we can curb the repatriation of resources from this country by mainly Asians who have introduced corruption in this country, and we cannot handle them. The same people are bringing into this country contraband goods - fake goods which are produced in China, or like batteries produced in Taiwan, to destroy our industries and our jobs. What is this Ministry doing to see to it that effective laws are in place and ensure that such products are excluded?

We have heard of procurement services, but that is where we lose a lot of resources. We are losing billions of shillings on procurements for roads, medicines and buildings. Every Tom, Dick and Harry appointed to a position in the Government wants to build a building for that institution. Could anybody tell this House why we had to build Times Tower? Why did we build Times Tower next to the Central Bank of Kenya? It cannot be fully occupied now because we do not have any people to put up offices in that place. We are constructing such buildings when we are retrenching our public servants. Why should we do that when we are also retrenching?

Mr. Deputy Speaker: I can believe that!

Mr. Angwenyi: Mr. Speaker, Sir, I think you cannot believe that. Recruitment of public employees must be equitable and adequate. The house allowances which were given recently have been given to certain categories of public servants while others have not been given the allowances. Take the example of the universities personnel. They have not been given adequate compensation as house allowances. Other institutions of the Government and parastatals have not implemented those increased allowances. So, we are trying to persuade them indirectly, to accept corruption through taking bribes. This Ministry must put its foot down and try to do the right things for this country so that this economy can be turned around, so that when the President leaves State House at the end of next year, he can leave some legacy for Kenyans.

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

Mr. Mboko: Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to contribute to the Vote of the Ministry of Finance and Planning and the Guillotine Procedure. From the onset, I wish to congratulate the Minister and his staff for good work done. I am sure that many Kenyans may not realise the difficulties this Ministry is experiencing. I am sure, from the recession that we are in, we may not see any difference when we are improving, but I am sure that something is happening, and they are working very hard to bring our economy back on track.

All said and done, I have a few areas to pinpoint, where we see the Ministry failing. Regarding the Department of Pensions, before any civil servant or teacher is retired, the employer, whether it is the Public Service Commission, Teachers Service Commission or the Kenya Police Department, should readily have his or her details on date of employment, birth and other related documents. They can be found in the files of that individual. What causes the delay in paying pension to retirees from the Public Service when all the relevant documents can be found in their files? Why the delay?

If they know that someone is going to retire in the month of December, his or her documents must be ready. By the time this officer is sent packing, he or she must go with all his or her benefits. Why make a retiree travel from Kisumu or Kasipul Kabondo to Uchumi House? Why make a retiree travel from Kiunga to Nairobi at his or her own expenses? By the time he or she is being discharged, he or she should go with his or her benefits because all the necessary papers and relevant information needed are readily available. We shall solve most problems of our teachers, civil servants and police officers if everybody who is on the payroll of the Ministry of Finance and Planning is serious with his or her work. There must be a system which must be streamlined to make sure that our able civil servants and government employees do not suffer unnecessarily.

While the Minister was moving the Motion, he talked about the PSI companies, which are contracted by this Government to pre-inspect all goods imported by Kenya from other countries. Some of these PSI companies deal in African goods while others deal with goods from Middle East, Far East and Europe. But when these goods, which have already been pre-inspected by companies appointed by our able Government come to the points of entry, they are subjected again to re-inspection by the Kenya Bureau of Standards (KEBS). This is ridiculous! Why should we have goods inspected across the borders of this nation and again be inspected by the KEBS? There must be harmony in the entire system. It is better to get our KEBS personnel to inspect these goods rather than making our importers delay at the ports, claiming goods from there. We have found unnecessary delays at the Port of Mombasa, and at the inland container terminals; either in Kisumu, Nairobi and Athi River, because of the requirement of the KEBS to inspect these goods.

Mr. Deputy Speaker: How have you come by that information?

Mr. Mboko: Which information?

Mr. Deputy Speaker: The one you are giving us now?

Mr. Mboko: We know!

Mr. Deputy Speaker: How?

Mr. Mboko: Mr. Deputy Speaker, Sir, it is for the Minister to understand it because he knows it. You do not expect them to say that it is true.

Mr. Deputy Speaker: I hope that you know why I am asking that question!

Mr. Mboko: Then, for the benefit of that, let me pursue my other line.

Mr. Deputy Speaker: Yes.

Mr. Mboko: Mr. Deputy Speaker, Sir, we must make the movement of our imports free. We do not have to create unnecessary delays. It becomes very expensive to the consumer because for any delay, an additional cost will be put on the commodity and that cost will be passed over to the consumer.

I had an opportunity, some time last year, to visit the Port of Mombasa. During my visit there, I found out that the KPA is required by the Ministry of Finance and Planning or the Government of Kenya, to pay some taxes which existed during the days of the East African Community. If KPA is exempted from paying those taxes today, they would not require any more money to extend their container terminals, which would make our Port of Mombasa more competitive than the Port of Dar-es-salaam and Durban, and they would not borrow. I must ask the Minister to explain that because transferring money from one pocket to another is the same thing.

Mr. Deputy Speaker, Sir, for the Port of Mombasa to be attractive to business, the Minister should consider doing away with bulk tax.

Mr. Deputy Speaker, Sir, the Kenya National Assurance Company (KNAC) was put under receivership because of corruption. This company was grounded by corrupt officers! The policy holders of KNAC have suffered for a long time. They have suffered because the Receiver Manager is not sorting out anything. It is ironical that KNAC is still receiving premiums from policy holders up to today. Some of these premiums should be used to pay policy holders whose policies have matured. Why should they be receiving money through a Receiver Manager who is not even accountable to the Government? We know that the Government had good intentions when appointing a Receiver Manager. But for what use? We have not seen any institution which has been revived by any Receiver Manager in this country. All Receiver Managers appointed by the Government have never solved any problems.

Mr. Deputy Speaker: Mr. Mboko, the Minister has already dealt with that issue. He gave an undertaking that the Government is reviving the KNAC. So, you are flogging a dead horse!

Mr. Mboko: Mr. Deputy Speaker, Sir, he has tried but until---

Mr. Deputy Speaker: Order, Mr. Mboko! Until he fails, you cannot judge him!
Proceed!

Mr. Mboko: Mr. Deputy Speaker, Sir, I do agree with you but until the culprits, who looted millions of shillings are brought to book - and some are in this House - nothing is going to happen. Those people are known, they have properties and money while the policy holders of KNAC are still struggling! The children of these people cannot go to school while the looters are in this House, singing in high tones!

Mr. Deputy Speaker: Order, hon. Mboko! Parliament has no looters! It only has hon. Members!

Mr. Mboko: Mr. Deputy Speaker, I have seen a flag-flying Minister go to court!

Mr. Deputy Speaker: Order, hon. Mboko! Parliament has no looters. It only has hon. Members!

Mr. Mboko: Mr. Deputy Speaker, Sir, they may be hon. Members who are looters!

Mr. Deputy Speaker: Order, Mr. Mboko! I think you are now addressing the Galleries and not the Chamber. That language is not Parliamentary and I will not allow it. You will now withdraw and apologise.

Mr. Mboko: Mr. Deputy Speaker, Sir, on your guidance, I withdraw and apologise. There are no looters in this House but we have Ministers who have been charged in a court of law for corruption, but they are still flying the flags!

Mr. Deputy Speaker: Mr. Mboko, they have been charged in a court of law but they have not been found guilty! This is not going to be a subject of debate between you and the Chair!

Mr. Mboko: Mr. Deputy Speaker, Sir, I will leave that issue for now.

Mr. Deputy Speaker, Sir, the Minister has stated that he needs about Kshs4 billion for housing. The civil servants of this country have been treated as if they are not Kenyans. I do not know where the law relating to civil servants was drafted. Why are civil servants being mistreated? Why should they be evicted from the houses they have been living in? The Government should allow civil servants to pay rent for the houses they have been living in, instead of chasing them away and allocating those houses to other people. The Government needs to come up with a housing scheme which is conducive to the civil servants of this country.

With those remarks, I beg to support.

Mr. Achola: Thank you very much, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Mr. Deputy Speaker, Sir, while supporting the Motion, I have got three issues to raise with the Minister for Finance. Firstly, I would like to find out from him why his projections are usually wrong. Four months ago, when he read the Budget here, his focus was that the economy was going to grow, by at least 2 per cent. But four months into the financial year, we are on the zero axis. So, the Minister must look for ways of getting the correct Budget information that will assist him in making proper projections for the year.

Mr. Deputy Speaker, Sir, the other issue which I must mention is that of the Kenya Revenue Authority (KRA). The Chairman of Finance Committee came here the other day and praised the KRA as having done a good job this year. But those of us from the western part of the country are very disappointed with the KRA. The economy of that part of the country is based on sugarcane. As of today, Kshs3 billion worth of sugar is lying in warehouses while most farmers have not been paid for the last two years. The theme of the Budget this year was poverty alleviation. How are we going to alleviate poverty when poor farmers have not been paid for two years? The main reason is that KRA is not levying the correct duties on sugar imported by some of the crooks mentioned here. I am appealing to the Minister, who also comes from a sugarcane growing area, to do what he can, to ensure that sugar is imported to this country when it is absolutely necessary.

Mr. Deputy Speaker, Sir, yesterday, I was at the SONY Sugar Factory. In that factory, we have sugar in stores worth Kshs700 million and yet farmers have not been paid. This country produces approximately 400,000 tonnes of sugar in a year and the consumption is in excess of 600,000 tonnes per year. So, there is a gap of about 200,000 tonnes. There is no reason why we should be having stocks of sugar in our factories. This is a serious matter and I appeal to the Minister to make sure that the correct taxes are levied on imported sugar so that our locally-produced sugar can be competitive.

Mr. Deputy Speaker, Sir, there is also pretence that we are facing these problems because we acceded to the COMESA Agreement. That is not true. Yesterday, I was shown a bag of sugar imported from Swaziland which is not a member of COMESA. So, we appeal to the Minister to see to it that this practice is stopped once and for all.

Mr. Deputy Speaker, Sir, the Minister mentioned, a few minutes ago, that he would like to dispose of the 35 per cent Government stake in the Kenya Commercial Bank (KCB). He will be lucky if KCB will be "standing on its feet" at that time. It is a fact that KCB is being run-down by Gareth George who is an agent of Barclays Bank where he came from. As of now, he has authorised the closure of the Pension Division which was producing so much deposits for the bank.

Mr. Deputy Speaker, Sir, today, the KCB actually borrows from the Barclays Bank! This is money which it had! I have in my possession cheques written by KCB to pay Barclays Bank, where they then go and borrow overnight at 3 per cent above the Treasury Bill rate. If this is not corruption, then what is it? Why is the Government retaining someone who has been mentioned so many times as causing problems to this country through the only indigenous bank? This is the only large indigenous bank that can help this country in its economic struggle!

Mr. Deputy Speaker, Sir, the Managing Director of the same public bank, where 35 per cent of the taxpayers' money lies, is employing people through dubious means, by duplicating divisions in order to create jobs for his friends! I know that by the time the Minister thinks of allowing the 35 per cent that the Government owns in the Kenya Commercial Bank (KCB) to be sold, there will be no KCB! That is because Mr. Gareth George will have completed running it down, so that nobody will be interested in investing in that particular bank.

Mr. Deputy Speaker, Sir, with regard to the pensioners, I think virtually every Member of Parliament who has talked here has mentioned the fact that pensioners in this country are in real trouble. Yesterday, I was at the DC's office in Migori where 42 pensioners, some of them who taught me many years ago and are very old, completely emaciated, were waiting to be paid. They have not been paid for the last seven months! One just wonders, if it were you, having worked for so many years and when you retire, someone does not pay you the little money that is paid to pensioners for seven months, how would you feel? I think it is devilish and I would appeal to the Minister for Finance to ensure that the pensioners are paid in time. I think the pensions ought to be reviewed when we also review the general salaries for the civil servants. Otherwise, I think it is a very immoral thing to be done by the Government!

Mr. Deputy Speaker, Sir, the other issue that I would like to raise is on the issue of the proposed payment of pending bills. When Mr. Nyachae was the Minister for Finance, there was a big hue and cry about corruption and inflated figures of pending bills. Now, we are being told that there is Kshs4 billion to be used to offset pending bills. I would like to appeal to the Minister to ensure those pending bills are properly audited. Some years ago, when we were in the Public Accounts Committee (PAC), many of those pending bills were fictitious! If that is what the Minister will pay using the Kshs4 billion, I would suggest that he does a re-check of those figures. All that is rotten money and we

do not want taxpayers' money to go into areas which are doubtful.

Mr. Deputy Speaker, Sir, the last issue that I would like to raise today concerns procurement. We have been talking here about money going into the drain, particularly in the Ministry of Roads and Public Works. I know that is not his Ministry, but surely, because the money the Minister manages comes from the Consolidated Fund, we should find a way to streamline procurement, so that engineers in the Department of Public Works are not also the people who own companies that tender to do the roads that they are supposed to supervise! Today, virtually every engineer in the Ministry has a company of some sorts, which gets the contracts, does the construction, gets paid in advance and does very shoddy work!

With those few remarks, I beg to support.

Mr. Deputy Speaker: Order, hon. Members! As you can see from the Order Paper, we must proceed to the Guillotine Procedure not later than 5.30 p.m. Let me explain that the Vote of the Ministry of Finance and Planning will be the first Motion we dispose of under that procedure. Why? It is because, ordinarily, there are two Allotted Days for each Ministry, and the Ministry of Finance and Planning had only one day! So, let no Member stand up to ask why we have not completed the process of discussing the Ministry of Finance and Planning. So, at 5.30 p.m. on the dot, we shall proceed to Committee to dispose of all the outstanding Votes under the Guillotine Procedure.

I would like now to give the Minister an opportunity to respond to the remarks that you have made on this Vote.

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I would like to take this opportunity to thank hon. Members for their various contributions. I have taken note of their comments and, where action is possible, such action will be taken. Where action is not possible, we will take note for future possible action. I would like to make a couple of comments in response to various remarks made by various Members of Parliament.

Mr. Deputy Speaker, Sir, regarding privatisation, it is true that we do not have a Privatisation Act. But what we have at the moment, that we use for the various privatisations, are administrative procedures which we use to privatise each case. We look at each case separately. However, as I had mentioned earlier, we have a Privatisation Bill which has been drafted and is being discussed internally by the Government. It will be brought before this House at a later date. That will define the legal framework within which our privatisation programme will take place. So, after the Bill has become law, it will be the basis and legal guideline for future privatisations.

Some hon. Members asked questions about the privatisation of various enterprises. They raised issues on the question of strategic partners and why that was pertinent in our particular case. I wish to emphasise that the question of the strategic partner becomes important and relevant when you are dealing with enterprises that involve technology and management expertise. When you talk about a strategic partner, you really look for somebody who would bring value to the corporation not just by acquiring assets, but he will be able to bring technology and management skills that will enhance the value of that enterprise; that will lead to efficiency of services; that will lead to availability and affordability of services, with the bottom line being that we would like to have the cheapest possible price to be paid by the customers. In this case, the customer would be the mwananchi. I am specifically talking about Telkom Kenya. We are not just looking for somebody to give us money in exchange for assets, but we are looking for somebody who has got technology and managerial expertise that will add value to Telkom Kenya if he acquires shares in that particular enterprise.

I also take note of the comments made by one of the Members, with regard to the question of Board representations by members of the public who, in some cases, actually own more than 50 per cent. I think that is a well-taken point and we will look at it. It is, indeed, true that some of the corporations that we have privatised, and the public have got more than 50 per cent shareholding, did not have adequate representation on the Board. They do not know how to organise themselves during annual general meetings to have their interests catered for because of their majority shareholding. That is something that we will have to work on as the Government.

Mr. Deputy Speaker, Sir, still on the issue of privatisation, one hon. Member said that we should be looking at Kenya's interests first. That is, indeed, true and that is exactly what we are doing at the moment. We look at Kenya's interests first, and all other interests are secondary. Therefore, when we decide that we are going to privatise, either it is because of what I have said; that is technology and management skills transfer or because we are going to benefit from the expertise that they have elsewhere, and that expertise has been proven, and we know that they are good and experts in those fields. So, we look at those kinds of criteria before we actually decide who a strategic partner is or who is not.

Mr. Deputy Speaker, Sir, a comment was also made regarding the question of pensions. I think I mentioned in my remarks that the Pensions Department is being modernised. It is being computerised. In fact, we have introduced software that tries to harmonise the payroll and the personnel files so that, that information is on computer in future and that we know well in advance when somebody will retire. This will ensure that by the time a person retires, his pension is processed and can be paid expeditiously. For the sustainability of pension schemes in this country, we must consider

funded schemes. It will not be sustainable in the long run, to expect the taxpayers to take care of the pensioners' payments when people want to go home and rest. If the contributions are made both by the employer and employee, then that forms a fund. If that fund is well-managed and invested, then there will be resources for everybody that retires at the end of their working period.

Mr. Deputy Speaker, Sir, as far as the Kenya Revenue Authority is concerned, they are doing a splendid job as many hon. Members have recognised. It is true that there is still work to be done and improvements to be made which are ongoing. There are plans for the KRA to computerise its operations in order to improve its information database which will form a basis for enhanced revenue collection. There are plans to acquire scanners in order, not just to deal with the security aspect, but to determine what is actually in the containers and obtain adequate or appropriate tax levels. With some of these measures in place, I imagine that our KRA will be better as we move ahead.

Mr. Deputy Speaker, Sir, one hon. Member did say that they are doing a bad job because the sugar stocks are piling up in the depots or stores of the sugar companies. I do know that this is the particular problem, but I do not think it is because the KRA staff are not doing their job. I did mention here, in answer to one of the questions that was raised by one of the hon. Members, that one of the problems has been cheating by importers who actually under-invoice in an attempt to under-cut others in prices. Therefore, the end cost to those cheating importers is much lower than the cost of production by our local companies. Therefore, they are able to outbeat them when they are selling. We have put in place administrative mechanisms to ensure that we have got all the information regarding how much sugar should cost when it lands in Mombasa. We know the minimum price. Therefore, we immediately know if somebody is cheating, if he gives us an invoice that shows an amount that is less than that. This helps because people are now invoicing properly and paying the tax. Therefore, there is fair competition between the imports and local production. We will continue to be vigilant to ensure that these administrative measures are adhered to strictly.

One of the hon. Members did say that my projections are always wrong and that I am always off the mark. Anybody who has done economics or any kind of planning or management knows that when you make projections, you make assumptions. If the assumptions are valid by the time you have made them, then the projections are likely to be according to those assumptions. One of the fundamental assumptions I made was that we would be able to attract donor funding. This has been done through consultations with them and they have actually given us their undertaking that, that will happen on condition that certain things are done. Of course, some of their conditions were beyond the control of the Government. For example, passing legislation requiring a constitutional amendment in Parliament was not the Government's decision, but Parliament's. We did not get the two-thirds majority required to get the required legislation or Act. That projection was based on that very fundamental assumption among others.

The other issue that I would like to comment on, in conclusion, is that the Retirement Benefits Authority (RBA) has done one very useful thing to the public. They have ensured that the pensioners' contributions are safe, well-managed and transparent in the sense that the pensioners have access to information on how their money is being invested. Therefore, the chances of fraud, or the pensioners losing their money, are much slimmer than they were before the RBA was in place. I do think that, that is a positive thing. They have also put in place regulations outlining how these pensioners' contributions are to be invested. This was never there before. Some of the pension schemes had lumped too much money in fixed assets and sometimes it was impossible to convert these fixed assets into liquid form to make pension contributions when they fell due.

These guidelines have streamlined the pensions industry. They have clearly decided on what role each stakeholder in the pensions industry will play. In the not too distant future, particularly after we have taken into account the fact that pension schemes should be funded, even if it is within the public sector, I do think that we should be able to see the pensions industry being a major source of savings for investments. I do think that the RBA is to be commended for the good work they are doing.

Mr. Deputy Speaker, Sir, one of the hon. Members did mention about the high cost of doing business in Kenya and that we should offer subsidies to private companies. Obviously, subsidies cost money. Right now, one of our biggest problems is the shortage of funds. Our needs are far too many in comparison to the resources available. Therefore, the question of subsidies does not arise. It is not sustainable because the resources are not there.

In conclusion, I would like to strongly urge the hon. Members to support both the Development and Recurrent Vote of the Ministry.

With those few remarks, I beg to move.

(Question put and agreed to)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Mr. Musila) took the Chair]*

*(Interruption of business pursuant
to Standing Order 142 (7))*

GUILLOTINE

APPLICATION OF GUILLOTINE -
LAST ALLOTTED DAY

The Temporary Deputy Chairman (Mr. Musila): Hon. Members, we are now in the committee and we are now moving to the guillotine procedure. This is as per Standing Order No.142 (7) which reads as follows:-

"On the last of the Allotted Days, being a day before 31st October, the Chairman shall, one hour before the time for the interruption of business, forthwith put every question necessary to dispose of the Vote then under consideration, and shall then forthwith put severally the question necessary to dispose of every Vote not yet granted; and if at the time of aforesaid the House is not in Committee, the House shall forthwith move into Committee with question put for the purposes aforesaid."

Therefore, hon. Members, we are now going to go by the guillotine procedure this being the last Allotted Day in order to dispose of all the Votes that have not been debated. We will start with the Ministry of Finance and Planning. I will request the Minister for Finance to move the Motion.

Vote 07 - Ministry of Finance and Planning

The Minister for Finance (Mr. Okemo): Mr. Temporary Deputy Chairman, Sir, I beg to move:-
THAT, a sum not exceeding Kshs4,847,960,055 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 07 - Ministry of Finance and Planning.

(Question put and agreed to)

Vote 16 - Ministry of Trade and Industry

THAT, a sum not exceeding Kshs897,133,722 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 16 - Ministry of Trade and Industry.

Mr. Achola: On a point of order, Mr. Temporary Deputy Chairman, Sir. I am just wondering whether the Minister would be in a position to know how far Kenya has benefitted---

The Temporary Deputy Chairman (Mr. Musila): Order, Mr. Achola! You listened carefully when I was reading the relevant Standing Order No.142 (7). It is guillotine procedure. So, we are not going to allow debate on individual Votes. I simply put the question as per the Standing Orders.

(Question put and agreed to)

Vote 02 - The State House

THAT, a sum not exceeding Kshs342,053,650 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 02 - The State House

(Question put and agreed to)

Vote 03 - Directorate of Personnel Management

THAT, a sum not exceeding Kshs1,872,444,005 be issued from the Consolidated fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 03 - Directorate of Personnel Management.

(Question put and agreed to)

Vote 04 - Ministry of Foreign Affairs and International Co-operation.

THAT, a sum not exceeding Kshs1,598,470,700 be issued from the Consolidated fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 04 - Ministry of Foreign Affairs and International Co-operation.

(Question put and agreed to)

Vote 05 - Office of the Vice-President and Ministry of Home Affairs, Heritage and Sports

THAT, a sum not exceeding Kshs2,059,849,400 be issued from the Consolidated fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 05 - Office of the Vice-President and Ministry of Home Affairs, Heritage and Sports

(Question put and agreed to)

Vote 08 - Department of Defence

THAT, a sum not exceeding Kshs7,192,500,000 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 08 - Department of Defence

(Question put and agreed to)

Vote 14 - Ministry of Transport and Communications

THAT, a sum not exceeding Kshs917,675,095 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 14 - Ministry of Transport and Communication

(Question put and agreed to)

Vote 15 - Ministry of Labour and Human Resource Development

THAT, a sum not exceeding Kshs796,235,350 be

[The Minister for Finance]

issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 15 - Ministry of Labour and Human Resource Development.

(Question put and agreed to)

Vote 25 - Office of the Attorney-General

THAT, a sum not exceeding Kshs185,516,545 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 25 - Office of the Attorney-General

(Question put and agreed to)

Vote 26 - Judicial Department

THAT, a sum not exceeding Kshs408,183,130 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 26 - Judicial Department

(Question put and agreed to)

Vote 27 - Public Service Commission

THAT, a sum not exceeding Kshs52,228,720 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 27 - Public Service Commission

(Question put and agreed to)

Vote 28 - Office of the Controller and Auditor-General

THAT, a sum not exceeding Kshs147,451,150 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 28 - Office of the Controller and Auditor-General

(Question put and agreed to)

Vote 29 - National Assembly

THAT, a sum not exceeding Kshs1,790,630,430 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 29 - National Assembly

(Question put and agreed to)

Vote 33 - Electoral Commission

THAT, a sum not exceeding Kshs855,768,650 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 33 - Electoral Commission

(Question put and agreed to)

Vote 36 - Ministry of Lands and Settlement

THAT, a sum not exceeding Kshs571,267,950 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 36 - Ministry of Lands and Settlement

(Question put and agreed to)

Vote 45 - National Security Intelligence Service

THAT, a sum not exceeding Kshs1,400,000,000 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002, in respect of:-

Vote 45 - National Security Intelligence Service

(Question put and agreed to)

Vote 46 - Ministry of Tourism and Information

THAT, a sum not exceeding Kshs308,517,162.50 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2002 in respect of:-

Vote 46 - Ministry of Tourism and Information.

(Question put and agreed to)

The Minister for Finance (Mr. Okemo): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee of Supply do report to the House its consideration of the Resolution and its approval of the same without amendment.

(Question put and agreed to)

(The House Resumed)

[Mr. Deputy Speaker in the Chair]

REPORTS

REMAINING VOTES IN COMMITTEE OF SUPPLY ON SEVENTEENTH AND LAST ALLOTTED DAY

Mr. Deputy Speaker: Mr. Musila, you may just make it the sum voted and the Vote without the formal words.

Mr. Musila: Thank you, Mr. Deputy Speaker, Sir.

VOTE	MINISTRY	KSHS
07	Ministry of Finance and Planning	4,847,960,055.00

16	Ministry of Trade and Industry	897,133,722.50
02	The State House	342,053,650.00
03	Directorate of Personnel Management	1,872,444,005.00
04	Ministry of Foreign Affairs and International Co-operation	1,598,470,700.00
05	Office of the Vice-President and Ministry of Home Affairs, Heritage and Sports	2,059,849,400.00
08	Department of Defence	7,192,500,000.00
14	Ministry of Transport and Communications	917,675,095.00
15	Ministry of Labour and Human Resource Development	796,235,350.00
25	Office of the Attorney-General	185,516,545.00
26	Judicial Department	408,183,130.00
27	Public service Commission	52,228,720.00
28	Office of the Controller and Auditor-General	147,451,150.00
29	National Assembly	1,790,630,430.00
33	Electoral Commission	855,768,650.00
36	Ministry of Lands and Settlement	571,267,950.00
45	National Security Intelligence Service	1,400,000,000.00
46	Ministry of Tourism and Information	308,517,162.20

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolutions.

The Assistant Minister for Transport and Communications (Mr. Keah) seconded.

(Question proposed)

Mr. Obwocha: Mr. Deputy Speaker, Sir, we have come to the end of discussion on these Votes, but I want just to point out one thing. The Budget preparation in this country is wrong. Parliament has been reduced to a rubber stamp. This House must come up with ways and means in which it can be involved in the Budget-making process, so that the people of this country can benefit from the Budget that we pass here.

We are passing a Budget that has been prepared by civil servants, people who do not know the needs of our people. I have been elected twice to this House, but certain things that I promise my people would be done have never been done because they have never been included in the Budget. This is because, in the first place, I have never been involved in the Budget-making process. This House must address this issue.

Mr. Deputy Speaker, Sir, finally, I would like to say that the Minister has promised in his Budget Speech, to do certain things. For example, he has promised to construct Road C21, Kisii-Chemosit Road. We are still waiting. I cannot reach my home area through this road, yet the Clerk of the National Assembly pays me to pass through it. I do not use this road because it is not yet constructed. I pass through another route. So, the Minister should, at least, fulfil what he has promised us in the Budget.

With those few remarks, I beg to support.

Mr. Deputy Speaker: Hon. Members, I think I must draw your attention to your own Standing Orders and the establishment of Departmental Committees, which are set up to, among other things, investigate inquire into and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and Departments. So, the ball is firmly in your court.

Mr. Kihoro: Thank you, Mr. Deputy Speaker, Sir. I am grateful for this opportunity. I would only want to make one remark in respect of the Votes that have now been *guillotined*.

In respect of Vote 45, the National Security Intelligence Service, Kshs1.4 billion belonging to the taxpayer

will, for the third time, be spent without proper attention being given to it. Last year during the *guillotine* procedure, the Minister promised us that this particular Vote would be discussed in future. Kshs1.4 billion of tax payers' money will be spent on this particular Vote and, for three consecutive years, there has not been any opportunity for us to discuss it.

Mr. Deputy Speaker: Mr. Kihoro, you are now opening debate on the Vote, when this is not an occasion for doing that. So, make your few comments and sit down.

Mr. Kihoro: Mr. Deputy Speaker, Sir, I was only hoping that, maybe, we would get an undertaking from the Minister that next year, we will be given an opportunity to scrutinise this particular Vote, especially in respect of our national security, which has been threatened from time to time. Indeed, our security has come under a lot of danger. We want to know exactly what this particular Government agency is actually doing.

The Assistant Minister for Transport and Communications (Mr. Keah): Mr. Deputy Speaker, Sir, I want to make one remark, which is by way of an appeal, particularly to those with Authority to Incur Expenditure (AIE). They should ensure that once the AIEs go to the districts, they expeditiously execute the jobs for which we have approved this Budget here today. We want full accountability to be reported to the District Development Committees (DDCs).

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I think I had made all my contributions, but I am forced to respond specifically to Mr. Obwocha's comments that Members of Parliament, or this august House, have not been involved in the Budget-making process. I did make many appeals in this House when we started discussions and consultations on the Poverty Reduction Strategic Paper. I appealed to all hon. Members, because these discussions were going down to the community level, at constituencies, where Members of Parliament must be involved in these discussions and consultations because they are actually bosses of their constituencies. Unfortunately, not all hon. Members took my advice. They completely refrained from the exercise. But those hon. Members who actually participated in those discussions, appreciated the exercise and actually found that it was valuable because they were involved in the prioritisation of projects in their constituencies. So, that is not due to lack of effort on the part of the Government. However, I expect hon. Members to take that process more seriously when we undertake it next year.

(Mr. Musila stood up in his place)

Mr. Deputy Speaker: Mr. Musila, you were in the Chair and, therefore, you cannot make a comment!

Mr. Musila: Mr. Deputy Speaker, Sir, it was my pleasure to chair the Committee of the House, but I also represent a constituency in this Republic! I would like to make one or two comments.

Mr. Deputy Speaker: Order! Order, Mr. Musila! I am sorry, I have to say this: On this Motion, the Speaker exercises his discretion to allow one or two comments. But, strictly speaking, the question on that Resolution should be put without debate, adjournment nor amendment.

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, it is now time for the interruption of business. This House, therefore, stands adjourned until tomorrow, Wednesday, 24th of October, 2001, at 9.00 a.m.

The House rose at 6.05 p.m.