

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 31st October, 2001

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### COMMUNICATION FROM THE CHAIR

ADMONITION OF HON. OCHILO-AYACKO  
AND HON. (DR.) OCHUODHO

**Mr. Speaker:** Hon. Members, yesterday the House considered the Report of the Powers and Privileges Committee tabled on Wednesday, 18th April, 2001. The Report concerned a matter of a scuffle between hon. Ochilo-Ayacko, MP, and hon. Dr. Shem Ochuodho, MP, in the precincts of the National Assembly. The debate was held in camera in accordance with Rule 3(b) made under Sub-section 6 of Section 10 of the Powers and Privileges Act, Cap.6 of the Laws of Kenya.

The House debated the matter at length and adopted the Report with an amendment in Paragraph 9, Sub-paragraph 2, and ordered that the two hon. Members be reprimanded at the Bar, pursuant to Rule No. 4(a).

In making the recommendation, the House took into consideration the fact that the two were first offenders. I, therefore, directed yesterday that the two hon. Members present themselves to the House today, at 2.30 p.m., for me to carry out the duty imposed upon me by the House of effecting the reprimand. I will first make an inquiry. Is hon. Ochilo-Ayacko present?

**Mr. Ochilo-Ayacko:** Yes, Mr. Speaker, Sir.

**Mr. Speaker:** Is hon. Dr. Ochuodho present?

**Hon. Members:** He is not present.

**Mr. Speaker:** Just before I go further, I will allow the Members standing at the Bar to first take their positions and then I will proceed. Hon. Members, please, take your seats.

*(Hon. Members took their seats)*

Order, hon. Members! I think hon. Dr. Ochuodho was instructed by the Chair, in the presence of this House assembled, to be here at 2.30 p.m. for the Chair to carry out the mandate of the House against him. I am totally surprised that he is not here. I think the best I can say is that he will not participate in the

proceedings of this House until the mandate of the House has been given to him in accordance with the decision of this House.

For the time being, I now call upon hon. Ochilo-Ayacko and direct that you proceed to the Bar and stand there remaining for the Chair to communicate to you the decision of the House. The hon. Members standing with you will proceed and sit down. Will all other Members not affected not join the Bar?

*(Mr. Ochilo-Ayacko proceeded to the Bar)*

Order! Can the doors be closed for the duration of this function!

*(The Serjeant-at-Arms closed the doors)*

Order, hon. Members! Hon. Members, it is my duty to address the hon. Member, Mr. Ochilo-Ayacko. You,

hon. Ochilo-Ayacko, Member of Parliament for Rongo, the House has found you guilty of gross misconduct by engaging in a physical fight in the precincts of the House on Thursday, February 1st, 2001. The House has demanded--

*(An hon. Member walked into the Chamber)*

Order! That hon. Member must get out of there before I reprimand him. Order! You may find yourself in trouble! Will you, please, close that door or stand at the gate outside the Serjeant-at-Arms! Serjeant-at-Arms, ask hon. Members to wait at the entrance!

*(Hon. Members waited at the entrance to the Chamber)*

The House has demanded that you desist from such behaviour and that you henceforth uphold the dignity, decorum and honour as expected of all hon. Members. This should serve as a warning and [Mr. Speaker] it is the prayer of this House that you will conduct yourself with dignity in the future. You may take your seat.

*(Mr. Ochilo-Ayacko took his seat)*

*(Applause)*

**Mr. Achola:** On a point of order, Mr. Speaker, Sir. In view of the fact that hon. Dr. Ochuodho has failed to turn up as ordered by the Speaker, would that actually amount to further gross misconduct on his part?

**Mr. Speaker:** Order! Yes, it is indeed more than gross misconduct. It is indeed contempt of this House and the Chair. I do order that until he receives the reprimand as ordered by the House, he will not enter this Chamber, and neither will he receive the services of this House until he complies with the decision of the House. So, that should be communicated to him.

**Hon. Members:** He is here!

**Mr. Speaker:** Where is he?

**Hon. Members:** There he is!

*(Mr. Speaker consulted with the Clerk-at-the-Table)*

Dr. Ochuodho, I would like you to come here first and explain to the Chair why you were not here at 2.30 p.m., as directed.

**Dr. Ochuodho:** Mr. Speaker, Sir, I apologise for coming late. I got stuck in a traffic jam. President Moi visited Kibera Estate this afternoon. So, I got stuck on Ngong Road when the road was cleared for the presidential motorcade to pass. That is my route to town. That is why I was late. I apologise for that.

**Mr. Speaker:** And why did you come in through the back door?

**Dr. Ochuodho:** Because the other door was being locked just as I was coming in; I did not want to open the one next to the Chair.

*(Laughter)*

**Mr. Speaker:** Order! Take your seat.

**Dr. Ochuodho:** Thank you, Sir.

**Mr. Speaker:** Next time I expect that when the House has ordered that an hon. Member be present to receive the sanctions of the House, that hon. Member will comply at the time appointed by being present. We must respect the House.

Dr. Ochuodho, you shall proceed to the Bar. But before you do so, I wish to communicate to you the decision of the House although you were present when the matter was deliberated on here yesterday.

Yesterday, the House debated the matter involving the scuffle between you and Mr. Ochilo-Ayacko and the House found that you were guilty in provoking the scuffle that led to a fight and consequent upon that, the House ordered that you and Mr. Ochilo-Ayacko be reprimanded at the Bar, pursuant to Rule 4(a). In making the

recommendation, the House took into consideration the fact that the two of you were first offenders. I, therefore, direct that you, Dr. Ochuodho, Member of Parliament for Rangwe, will proceed to the Bar of the House with immediate effect to receive the sanctions of the House.

*(Dr. Ochuodho proceeded to the Bar)*

It is my duty now, on behalf of this House, to address myself to you, Dr. Shem Ochuodho. You, Dr. Ochuodho, Member for Rangwe, the House has found you guilty of gross misconduct for provoking a physical fight in the precincts of the House on Thursday, 1st February, 2001. The House has demanded that you desist from such behaviour, and that you henceforth uphold the dignity, decorum and honour expected of all hon. Members. This should serve as a warning, and it is the prayer of this House that you will conduct yourself with dignity at all times in the future.

You may take your seat.

*(Dr. Ochuodho bowed to the Chair  
and resumed his seat)*

### ORAL ANSWERS TO QUESTIONS

#### *Question No.487*

#### COMPLETION OF POLICE DOG SECTION PROJECT

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

- (a) whether he is aware that the police dog section housing project has stalled; and,
- (b) when the project will be completed.

**The Assistant Minister, Office of the President** (Mr. Haji): Mr. Speaker, Sir, I beg to apologise for there was a typing error in the written reply. So, we have sent it back to be corrected.

**Mr. Speaker:** I did not hear what you said. Could you repeat it?

**The Assistant Minister, Office of the President** (Mr. Haji): Mr. Speaker, Sir, I said that there was a typing error in the written answer, which [**The Assistant Minister, Office of the President**] is being rectified. We shall answer the Question as soon as we get back the corrected reply.

**Mr. Speaker:** So, you want me to call out the Question later?

**The Assistant Minister, Office of the President** (Mr. Haji): Yes, Sir.

**Mr. Speaker:** Very well, I will come to the Question later.

Mr. Shitanda's Question!

#### *Question No.518*

#### WITHDRAWAL OF POLICEMEN FROM INGAVILA MARKET

**Mr. Shitanda** asked the Minister of State, Office of the President, why the Government has withdrawn administration policemen from the crime-prone market of Ingavila in South Kabras Location.

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

The Kakamega District Security Committee met in March, 2001, and recommended the withdrawal of administration policemen (APs) from Ingavila Market because of lack of proper accommodation for the officers and an armoury for the safe-keeping of firearms.

**Mr. Shitanda:** Mr. Speaker, Sir, in the first place, the APs were posted to Ingavila Market because of the insecurity situation around that area. It is the duty of the Government to provide accommodation and armoury services to the police.

Mr. Speaker, Sir, I would like the Assistant Minister to tell the House the specific reasons that led to the withdrawal of the APs from that area. He should not pretend that the Government cares about accommodation for policemen. We know of policemen who sleep out in the open for lack of accommodation. Elsewhere, five police

officers share a single room.

Could he tell the House why, in the first place, the Government found it necessary to post the APs to the particular market?

**Mr. Haji:** Mr. Speaker, Sir, Ingavila Market is presently being policed by Likuni AP Post, which is 12 kilometres away, and by Kabras Police Station, which is 14 kilometres away. Officers from these establishments undertake frequent foot patrols in the area.

**Dr. Kulundu:** Mr. Speaker, Sir, is the Assistant Minister implying that the Government is more concerned about the comfort of police officers than about the insecurity of its citizens?

**Mr. Haji:** Mr. Speaker, Sir, there is no insecurity in that area. Even when the APs were at the market, there were not many incidents of crime.

**Mr. Khamasi:** Mr. Speaker, Sir, the Assistant Minister has not addressed himself to the Question properly. Could he, please, tell us why, in the first place, the Government found it necessary to send security officers to Ingavila Market? Let us know why the APs were sent there before he tells us why they were withdrawn.

**Mr. Haji:** Mr. Speaker, Sir, the APs were sent there to find out whether there were enough insecurity problems to warrant their continued stay there.

*(Laughter)*

**Mr. Speaker:** The last one, Mr. Shitanda!

**Mr. Shitanda:** Mr. Speaker, Sir, two months ago, somebody was killed at that market. We have had a lot of insecurity incidents at the particular market. So, could the Assistant Minister consider re-introducing the AP Camp at Ingavila Market? The market borders the western Kenya sugar factories, where we have a lot of people.

**Mr. Haji:** Mr. Speaker, Sir, I think I answered that question. I said that security officers undertake frequent foot patrols in the area. We feel that the current patrols are adequate.

**Mr. Shitanda:** On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to evade answering the question? He has said that there are foot patrols when we wanted to know why the policemen were sent there in the first place. There must have been a reason on the part of the Government to have sent these police officers there.

**Mr. Haji:** Mr. Speaker, Sir, unless the hon. Member is not listening, I think I answered that question.

*Question No.598*

GOVERNMENT POSITION ON  
US GREEN CARD IMMIGRANTS

**Mr. Muya** asked the Minister for Foreign Affairs and International Co-operation:-

- (a) what the Government's position is on green card immigrants to the United States of America (USA); and,
- (b) how many Kenyans have been awarded green cards in the last three years, i.e, 1999 to 2001.

**The Assistant Minister for Foreign Affairs and International Co-operation** (Mr. Affey): Mr. Speaker, Sir, I beg to reply.

(a) A green card is a card given to those who become permanent USA residents. One can get the card through each of the following three ways. The first one is through petitions. If one has a **[The Assistant Minister for Foreign Affairs and International Co-operation]** relative who is a permanent resident in the USA, that relative can file a petition on his behalf to the Immigration Department. If the petition is accepted, the Immigration Department decision is conveyed to the USA embassy in Nairobi, and also the petitioner is informed to contact the embassy for a visa interview.

The second method is through work relations. If a person secures a job in the USA, he stands a high chance of getting the green card. The third method is through a lottery. Applications for green card immigrants are advertised in daily newspapers in countries that qualify for these cards. Applications are sent directly to the provided contacts in the USA for consideration. A winner of the lottery will then be notified and informed to contact the USA embassy for an immigrant visa interview.

**Mr. Otula:** On a point of order, Mr. Speaker, Sir. The Assistant Minister is not answering the Question.

**Mr. Speaker:** He has not finished! Go on, Mr. Affey!

**The Assistant Minister for Foreign Affairs and International Co-operation** (Mr. Affey): Mr. Speaker, Sir, it is worthwhile to note that in all the above listed cases, the applicants must meet the requirements stipulated by the USA Immigration Act.

As a policy, the Government allows its citizens who are interested in acquiring green cards to apply. But the

Government is not involved. This is purely an individual effort. Once an applicant acquires the green card and, therefore, acquires USA permanent resident status, he/she automatically, under the Constitution of this country, loses the Kenyan citizenship.

(b) The green card holders do not inform the Government whenever they acquire the USA permanent resident status, and as such, the Government does not have records from which to provide the figures.

**Mr. Muya:** Mr. Speaker, Sir, you will note that the Assistant Minister has not answered part (b) of the Question properly. He has not given me the figures, yet I do not think Kenyans can emigrate from Kenya without the Government knowing about it.

My reason for asking this Question is that, last year, green card immigrant applications did not pass through the post office down here because instructions were given from somewhere. Why should the Government discourage people from emigrating taking into account the pathetic state of our economy? People should be allowed to emigrate in order to look for greener pastures.

I believe that the Assistant Minister is in a position to give me the figures of the people who have been awarded green cards. Could he proceed and give me the figures?

**Mr. Speaker:** But he has just told you that green card holders do not report to the Government whenever they acquire them.

**Mr. Affey:** Mr. Speaker, Sir, you are right that green card holders do not report to the Government whenever they acquire the cards. The Government is not involved in this matter. It is purely a private matter. So, we do not have these figures.

**Mr. N. Nyagah:** Mr. Speaker, Sir, since last week, on Friday, the American Government is reviewing its policies on immigration and visa acquisition. As a result, many Kenyans have been locked in for lack of visas. But be that as it may, what is the Government's position? Will the Government intervene so that the new students who will be going to the USA can actually be admitted, instead of having to wait until March, 2002?

**Mr. Affey:** Mr. Speaker, Sir, the USA, just like any other sovereign state, has acted in its exclusive prerogative. But we will consider the request made by the hon. Member.

**Mr. Sungu:** Mr. Speaker, Sir, is the Assistant Minister aware that the people who acquire these green cards and other lottery systems are very qualified professionals, who have been trained by a poor Kenyan Government? Does this not amount to a brain drain? What is the Assistant Minister doing to stop that kind of trend?

**Mr. Affey:** Mr. Speaker, Sir, we are not aware of that because we are not involved in this process.

**Mr. Imanyara:** Mr. Speaker, Sir, specifically, with regard to lotteries, we know that many Kenyans are answering advertisements in the newspapers asking them to send application fees so that their names can be included in a lottery. We know a lot of these lotteries are administered by connen and people who are out to defraud Kenyans. What is the Ministry doing to ensure that Kenyans do not lose colossal sums of money to people who are taking advantage of the lack of knowledge about the immigration status to the USA?

Mr. Speaker, Sir, the Government should ensure that Kenyans do not lose a lot of money through advertisements that are placed in the newspapers.

**Mr. Affey:** Mr. Speaker, Sir, I share the sentiments expressed by the hon. Member, but this is a private matter. We would advise members of the public to be careful. If you apply for a green card, then you have to expect anything.

*Question No.401*

**ELECTRICITY SUPPLY TO JUJA RESIDENTS**

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

(a) if he is aware that the residents of Karibaribi, Kiiu South in Ruiru and Kwihota contributed the requisite 10 per cent for the supply of electricity to their areas; and,

(b) why the Government has declined to pay the 90 per cent balance to the Kenya Power and Lighting Company for supply of the same to the residents.

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

(a) I am aware, but I am not aware that---

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to confuse this House by saying that he is aware and then before he finishes that sentence, he says he is not aware? Which is the position now?

**Mr. Speaker:** Eng. Manga, you cannot have your cake and eat it!

**The Assistant Minister for Energy** (Eng. Manga): Mr. Speaker, Sir, I quite agree, but I was qualifying what I am aware of.

Mr. Speaker, Sir, I beg to reply.

(a) I am aware that residents of Karibaribi and Kiiu South in Ruiru, who have formed the Karibaribi Project and Kiiu Joint Efforts Group respectively have contributed 10 per cent of the estimated project cost to enable the Kenya Power and Lighting Company (KPLC) to undertake the preparation of the survey and works.

But I am not aware that there is in existence Kwihota Project and I request the hon. Member to provide more details to assist me carry out investigations.

(b) The Government has not declined to pay the 90 per cent balance, but has only been constrained by financial limitations. The Ministry, however, will implement Kiiu South Rural Electrification Project under the Spanish Phase II Programme in the year 2001/2002.

However, I also want to say that the scope of the Kiiu South Rural Electrification Project has been scaled down from the original 47 to 20 members, with two instead of three transformers. The project will, however, have 1.4 kilometres of high voltage lines and 2 kilometres of low voltage lines.

As for Karibaribi Project, the applicants were given a firm quotation of Kshs1,202,503, of which they paid Kshs92,000 on 29th December, 2000. The balance of the payment has not been effected up today.

**Mr. Ndicho:** Mr. Speaker, Sir, I am happy that the Ministry is responding positively in connection with three projects that we are talking about. They are committing themselves that, by the year 2001/2002, the Ministry will implement Kiiu South Rural Electrification Programme.

Mr. Speaker, Sir, I am disappointed that the Ministry is scaling down the number of members from the original 47 members to 20 members. However, the Ministry can give us two transformers and from there we can continue with the project next year and hope to get another transformer.

Mr. Speaker, Sir, with regard to the Kiiu South Project, I am happy to hear that the Ministry is going to implement it next year. However, the Assistant Minister must know that next year, 2002, is the year of the general elections and yet he has promised to give us two transformers. So, to maintain the credibility of the Government, please, let him honour his word.

My question is on Karibaribi where the Assistant Minister has said that they paid Kshs92,000. These people were requested through a letter to pay Kshs1.2 million in 1998, and they paid everything and the receipts are there. I am wondering where the rest of the money has gone to. But can the Assistant Minister now tell us one thing: Suppose the people of Kiiu South paid Kshs1.2 million, would the Ministry consider giving them power the way it has given power to other people?

**Eng. Manga:** Mr. Speaker, Sir, as to whether they have paid or not, the information I have is that they have only paid Kshs92,000. I want to say that once they pay that amount, the preliminary work will start. When money becomes available, it will be implemented like the other project is being implemented.

**Mr. Gitonga:** Mr. Speaker, Sir, I wonder if the Assistant Minister is aware that, even in Lari Constituency, for example---

*(Loud consultations)*

**Mr. Speaker:** Order! Order, at that corner!

**Mr. Gitonga:** The people of Lari Constituency have deposited millions of shillings with the Kenya Power and Lighting Company (KPLC) for the last eight years, but up to now they have not been supplied with electricity in the rural area. Could the Assistant Minister then consider paying the people of Lari interest accruing from the money which had been deposited with the KPLC eight years ago?

**Eng. Manga:** Mr. Speaker, Sir, as I had said, the process of paying a deposit enables the KPLC to start investigations and do the survey work. Therefore, with all the amount that has been paid, the survey work must have been done and we are waiting to get the money in order to implement the whole project.

*Question No.653*

#### DE-SILTING OF DAMS IN URIRI

**Mr. Omamba** asked the Minister for Environment:-

(a) what plans the Ministry has put in place to de-silt dams in Uriri Constituency; and,

(b) how much money has been set aside for each dam.

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

(a) Uriri Constituency falls under a region of high potential area, with an annual rainfall of over 1,000 mm.

(b) My Ministry has set aside Kshs2.7 million during this financial year, 2001/20002, for the rehabilitation of dams and river banks in Migori District. However, there is no money that has been set aside specifically for de-silting dams in Uriri Constituency alone.

**Mr. Omamba:** Mr. Speaker, Sir, the Assistant Minister's answer is bringing confusion because in 1998, the issue of de-silting dams in Uriri Constituency was discussed in this House and the Assistant Minister promised to rehabilitate the dams when money becomes available. Now that Kshs2.7 million is available, how much will Uriri Constituency get?

**Mr. Noor:** Mr. Speaker, Sir, we allocate funds according to districts, but not according to constituencies. Therefore, after the Ministry has allocated funds to the districts, it is the responsibility of the District Development Committee to sit down and give us a priority list so that we can release funds according to district priorities.

**Mr. Otula:** Mr. Speaker, Sir, dams have been given a very raw deal. Recently, my district was given Kshs9,000 to de-silt all dams in the district. Could the Assistant Minister tell this House what can this amount of Kshs9,000 do in de-silting a dam?

**Mr. Noor:** I am sorry, Mr. Speaker, Sir, I do not know which district Mr. Otula comes from, but there is no way we can allocate Kshs9,000 to a district, unless it is meant specifically to de-silt a particular dam because the state of dams differ.

For example, in Uriri Constituency, there are six dams in number. Some dams have been de-silted to the tune of 20 per cent, others to the tune of 8 per cent while others have not been de-silted. It depends on the engineers who specifically check on these dams and then give us the amount of money it will cost to de-silt a given dam.

**Mr. Wanjala:** Mr. Speaker, Sir, today, dams are full of mud in the same way the rivers in this country are. What plans does the Ministry have to de-silt these frequently flooding rivers like Rivers Nzoia, Nyando, Nyamasaria and also dams in the country?

**Mr. Noor:** Mr. Speaker, Sir, I have never come across a scenario where rivers are being de-silted. But it is the responsibility of Mr. Wanjala to advise his people not to farm along the river banks so that rivers cannot have as much erosion as they have today. But with regard to dams, we have really taken that into consideration and we are releasing money to districts, not as much as they require, but on the basis of what we can be able to cough out at the moment.

**Mr. Omamba:** Mr. Speaker, Sir, it is most disturbing because *El Nino*-induced rains silted these dams in 1997 and washed away all the dams. Since then, human beings and animals on the lower parts of the rivers have suffered a great deal because there is no water. Could the Assistant Minister consider allocating that amount of money so that we can know how much each constituency requires, to de-silt dams? We should be funded according to the size of dams that we have at the moment.

**Mr. Noor:** Mr. Speaker, as I have said, it is not the responsibility of my Ministry to allocate funds to constituencies. We allocate funds according to districts and I think the funds are there. Migori District has been given Kshs2.3 million. If the DDC sits down and gives the entire amount of Kshs2.7 million to Uriri Constituency, then we have no objection, we are going to release the money to that constituency.

*Question No. 616*

PAYMENT OF RETIREMENT BENEFITS  
TO KTDA WORKERS

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

(a) whether he is aware that the Kenya Tea Development Authority (KTDA) workers who were retired on optional basis in 1999 have not been paid their retirement benefits to date; and,

(b) what plans he has to ensure that these workers are paid their dues forthwith.

**The Assistant Minister for Agriculture and Rural Development** (Mr. J.D. Lotodo): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Kenya Tea Development Authority (KTDA) workers who were retired on optional basis in 1999 have not been paid their retirement benefits.

(b) The Ministry has requested for a waiver from the Ministry of Finance and Planning, as required by the Income Tax Act, Cap. 470, Section 13, to pay the workers. Payment will be effected immediately the Ministry of Finance and Planning consents to the waiver.

**Mr. Munyasia:** Mr. Speaker, Sir, this is a very honest Assistant Minister. It is true that those workers who retired on optional basis from the KTDA have not been paid for the past two-and-half years, and it is now almost three years. But every month they go to the KTDA office, they are told that they are still waiting for a letter from the Department of Income Tax.

Mr. Speaker, Sir, could the Assistant Minister indicate to this House how long the Department of Income of Tax will take to reply, so that the KTDA can pay these people their retirement benefits?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, as I said before, the Office of the President approved the payment of Kshs130,615,576.50 to the 347 retirees as per Government circular No.OP1319A of 7th November, 1995. However, since the Ministry of Finance and Planning is not granted a tax exemption in line with Section 12(2) of the Income Tax Act, Cap. 70, my Ministry is still waiting for communication. The latest remainder was sent on 24th September, 2001, and a reply is being awaited. As soon as we receive the reply, we will pay the money directly to the retirees.

**Mr. Wamae:** Mr. Speaker, Sir, this is a very worrying thing because these workers are not in employment now. These workers cannot educate their children because they have not been given their terminal benefits.

Could the Assistant Minister consider giving these retirees a portion of their terminal benefits pending the approval of the scheme?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, although we are aware that the retirees are suffering, the procedure has to be followed. I am sure that immediately that communication from the Ministry of Finance and Planning is received, we will pay them their benefits.

**Mr. Khamasi:** Mr. Speaker, Sir, the Assistant Minister will appreciate that this money has been outstanding for close to three years now. Could he confirm to this House that when these employees will be paid this money, they will get it with interest accrued for the three years?

**Mr. J.D. Lotodo:** Mr. Speaker, Sir, I am sure that the payment of this money will be made as per the laid-down regulations. I am also sure that there is no worker who will be paid his dues with interest since this is a procedural matter which has to be followed.

As soon as this matter is cleared, we will pay the workers who retired.

*(Mr. Munyasia stood up in his place)*

**Mr. Speaker:** Mr. Munyasia, do you want to ask one more question?

**Mr. Munyasia:** I have no more question, Mr. Speaker, Sir.

**Mr. Speaker:** Very well. Thank you. This is the first time I have heard that!

*Question No.508*

PLOT ALLOCATIONS IN MPEKETONI MARKET

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

(a) whether he is aware that following the allocation and sale of plots within Mpeketoni Market, farmers in the entire division will be left without an open-air market for their produce; and,

(b) what plans he has for the establishment of a market in Mpeketoni.

**The Assistant Minister for Local Government (Mr. Hashim):** Mr. Speaker, Sir, I beg to reply.

(a) I am not aware.

(b) The Lamu County Council has identified the following market centres. These are Hongwe, Bomani, Kihongwe, Muhamarani, Mapenya and Tewe. Due to poor revenue base, the council does not have immediate plans of putting up a modern market in Mpeketoni.

**Mr. Twaha:** Mr. Speaker, Sir, the Assistant Minister is misleading the House that he is not aware of what is happening. The fact of the matter is that Mpeketoni Market has been grabbed. In his answer to part "b" of the Question, the Assistant Minister has said that the Lamu County Council has identified some market centres. Identifying and establishing a market are two different concepts. Could the Assistant Minister inform this House where the farmers take their produce?

**Mr. Hashim:** Mr. Speaker, Sir, the plot where Mpeketoni Market is located is owned by Lamu County Council, which does not have plans of disposing it of. Lamu County Council does not have power to allocate the plot since it is not a trust land.

**Mr. Kamolleh:** Ahsante, Bw. Spika. Huyu Waziri Msaidizi anataka kutu chezea au anachezea Bunge hili. Hii ni kwa sababu ile ardhi ambayo ilikuwa imetengwa kwa minajili ya kujenga soko, Serikali ilipatia watu. Sasa wananchi wanapanda maembe na mananasi lakini hawana pa kuyapeleka. Je, wakulima hawa watauza mazao yao baharini? Ni lini Wizara yake itaagiza Baraza la Lamu kutenga mahali pa kujenga soko ili wakulima wauze bidhaa



zao?

**Mr. Hashim:** Bw. Spika, kama nilivyosema hapo awali, mapato ya Baraza la Lamu ni kidogo sana na Wizara haijapata mfadhili wa kuweza kujenga soko huko Lamu. Sasa hivi, Baraza la Lamu, kupitia huduma ya Urban Programme na GTZ, imejenga soko huko Lamu ili wakulima waweze kuuza bidhaa zao.

**Mr. Twaha:** Thank you, Mr. Speaker, Sir. We have heard of the Government bailing out the National Bank of Kenya with Kshs800 million and things like those. Why could the Assistant Minister not find that money to help our county council, which is in a financial quagmire?

**Mr. Hashim:** Mr. Speaker, Sir, the Ministry is looking for donors to put up the project in Lamu.

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

*Question No.487*

COMPLETION OF POLICE DOG SECTION PROJECT

**Mr. Manyara:** Mr. Speaker, Sir, you deferred my Question to Tuesday, next week. I was here!

**Mr. Speaker:** Mr. Haji, are you happy with that? I had said that we will come back to it later on, but I think it suits Mr. Haji to answer it on Tuesday. Mr. Manyara, it suits you as well. So, the Question will be asked on Tuesday!

*(Question deferred)*

QUESTIONS BY PRIVATE NOTICE

DISRUPTION OF KAPCHEPKORO  
PRIMARY SCHOOL HARAMBEE

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

(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?

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

(a) The Harambee was stopped on security grounds after two rival groups disagreed on whether the Harambee should be held or not. The Bureti District Security Committee decided that the Harambee be postponed to allow the organisers to sort out the problem and communicate a new date for the Harambee.

(b) Arising from my reply in part "a" above, part "b" of the Question does not arise.

**Mr. Kimeto:** Mr. Speaker, Sir, the Assistant Minister has read out the same answer he read out in this House last time. I know that Councillor Maritim organised this Harambee. I had requested the Assistant Minister to give us the name of the leader of the warring group to enable the Kapchepkoro people to know exactly when this person will pay the money which was expected to be raised? Could the Assistant Minister give us the name of the person who was leading the other group?

*(Applause)*

**Mr. Haji:** Mr. Speaker, Sir, I did not get the question properly.

*(A mobile phone rang in the Chamber)*

**Mr. Speaker:** Who has this gadget again?

**Hon. Members:** It is up there! It is in the galleries!

**Mr. Speaker:** Now, we cannot afford the people seated in the gallery to disrupt the business of the House! Those strangers should know that they are sitting there at our sufferance and we cannot suffer because mobile telephones are ringing. So, please, give the House respect!

Anyway, proceed, Mr. Haji!

**Mr. Haji:** Mr. Speaker, Sir, I did not get the Question quite clearly.

**Mr. Speaker:** Mr. Haji, this Question was brought to this House last week, and Mr. Kimeto, after listening to the answer which you have now read, put to your colleague who was answering the Question then a very simple question. You have said that there were two factions on this Harambee, one led by Councillor Maritim. Mr. Kimeto asked about the person who was leading the other faction, but your colleague was unable to give his name. That is why we deferred the Question so that you can tell us who was the leader of the other faction.

**Mr. Haji:** Mr. Speaker, Sir, I think the hon. Member knows that he was a member of the other group.

**Mr. Anyona:** On a point of order, Mr. Speaker, Sir. I know clearly that you were so amazed that an answer like that would come from the Minister and yet you asked him to go back and bring the name of the other party. Is he in order to come back and read the same answer and display ignorance?

**Mr. Speaker:** Order! Order! I think it is much more than that. I think it is a question of seriousness.

**Hon. Members:** He is walking when you are on your feet!

**Mr. Speaker:** Order! Who is that?

**An hon. Member:** Kajwang!

*(Mr. Kajwang stood up in his place)*

**Mr. Speaker:** Freeze! Thou shall not move any further until I sit down.

It is a much more serious issue than this. Last week, we took some time of the House and as a result of what transpired, we postponed this Question to enable the Minister to get this alleged faction, that there were two groups ready to fight if the Harambee went on. As a matter of fact, I find it extremely difficult to believe that people would fight because Harambee is taking place. But that notwithstanding, we gave you time so that you would come and tell us who was leading the group opposed to Councillor Maritim and you must tell us now. I have again received from the same area, and I am getting a little tired of it, another Question about two Harambees that were stopped. Are we going to take all the time of this House because of stopping Harambees? Anyway, it is your business to tell the House why all this is happening.

**Mr. Haji:** In the first place, Mr. Speaker, Sir, I do not know whether I am right to say that Mr. Anyona should not take the responsibility of asking questions on behalf of the hon. Questioner. I said the hon. Member is among the people who are disagreeing on these Harambees.

**Mr. Munyasia:** On a point of order, Mr. Speaker, Sir. Before you stood to demand for an answer from the Assistant Minister, he had said clearly that the other faction was led by Mr. Kimeto. I think the HANSARD will bear us out. Could the Assistant Minister tell this House whether it was Mr. Kimeto who was leading the other faction and he is now asking the Question for Councillor Maritim? Is he in order to say that Mr. Kimeto was the leader of the opposing faction.

**Mr. Haji:** That is exactly what I said. It is disagreement between the councillor and the Member of Parliament.

**Mr. Kimeto:** Mr. Speaker, Sir, we would like you to save us in this House. If Ministers are ignorant of their duties, they should relinquish their jobs, because they cannot continue giving us inadequate answers. I cannot ask the Question for Councillor Maritim if I was leading the other faction.

If we have a Government at Buret, they should be frank and say that so-and-so barred the Harambee on security grounds. If there is no threat to the security of the people, let them state openly that they are refusing to divulge this information.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. Would I be in order to ask the Chair whether it is satisfied with the way answers have been given in this House of late? We have seen institutions in this country being brought down by ignorant officers. We are not going to allow the House to be brought down like other institutions in this country.

Last week, you asked the Minister, Maj. Madoka, whether he knew the leader of the other faction and he said he did not know. He promised to find out. Is it in order for the Assistant Minister to say that it is the hon. Member who organised the other group? This is dishonesty. It is lowering the dignity of this House. Are we going to allow this?

**Mr. Speaker:** Order! Order! I intend to keep the dignity of this House and it is my business to do so. I think the House must be taken seriously. I do not think it is good enough for a Minister to promise this House that he will go and do further investigation and literally run away from the Question and delegate it to his colleague, who was not present, to come and bring the same answer.

I consequently order that Mr. Haji will return that file to Maj. Madoka with instructions that I order that he

personally comes to answer that Question as previously directed by the Chair. I further order or, at least, warn Ministers, please, if you have given the House an undertaking, do not run away and give the files to your assistants whom you have not briefed to come and give something that you did not instruct. If you must do that, then sit together and properly brief your colleague so that he also looks knowledgeable. I hope this goes down well. So, will you take it to Maj. Madoka? This Question is deferred to tomorrow afternoon.

**The Assistant Minister, Office of the President** (Mr. Haji): On a point of order, Mr. Speaker, Sir. I request you to give us time until Tuesday next week because the Minister is away.

**Mr. Speaker:** All right. If he is away, we will have it on Tuesday.

*(Question deferred)*

**Mr. Munyao:** On a point of order, Mr. Speaker, Sir. I have perused the Constitution and found out that Section 4, and even our Standing Orders, require that Ministers are responsible to this House. On that account, could the Minister be named?

**Mr. Speaker:** For being absent?

**Mr. Munyao:** Yes!

**Mr. Speaker:** I think what I have said concludes that matter until Tuesday next week.

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir. As you have just stated, you are getting a lot of Questions about Harambees being obstructed by the Government. It is our duty as Members of Parliament to hold Harambees and to meet our people. That is our job as it is your job to manage this House. Could you protect hon. Members from harassment from Government agencies when they are going about their business of meeting their people and assisting them?

**Mr. Speaker:** Very well! I think this House knows already my attitude to that and I have already expressed my opinion. I do not need to repeat it.

Next Question, Mr. Gatabaki!

#### IMPLICATIONS OF MILITARY SUPPORT TO USA

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

(a) What measures has the Government taken to ensure the safety of Kenyans and their properties in the aftermath of the suicide terrorists attacks of the World Trade Centre in New York and the Pentagon in Washington DC?

(b) Has the Government established any connection between the terrorists who bombed the American Embassy in Nairobi in 1998 and Osama Bin Laden as the prime suicide bombers of the World Trade Centre and the Pentagon on 11th September, 2001?

(c) Will the Government provide military facilitation to the United States military operations in its war against terrorists and their sponsors?

(d) If the answer to "c" above is in the affirmative, has the Government considered the implications of such military support to the United States of America?

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

(a) Security forces have been placed on high alert and key installations are being guarded. People attempting to enter the country through "panya" routes are also being arrested.

(b) Some of the suspects of the August, 1998, bombing of the American Embassy in Kenya were arrested and the matter is pending before court in the USA.

(c) The issue of military facilitation in the war against terror being spearheaded by the USA is of security nature, which cannot be divulged for security reasons.

(d) Therefore, "d" does not arise.

**Mr. Gatabaki:** Mr. Speaker, Sir, I only wish the Minister responsible was here. It is not that I doubt the intellectual capacity of the former PC of Rift Valley Province.

**Mr. Speaker:** Order! Order! Mr. Gatabaki, you were absent at 2.30 p.m. If you were present, you would know the mood of this House in the way we address each other. So, please, consult your colleagues. We want this House to use civil language, to encourage decorum and honour. You are advised to consult Mr. Munyasia next door on what happened.

Proceed, please!

**Mr. Gatabaki:** Mr. Speaker, Sir, this is a question that requires a serious answer. We see day in, day out, the President of the USA answering questions about the bombing in America. We also see the Secretary of State and the Head of the Security answering questions because it is important. It involves lives of people. Three years ago, we lost over 200 people because of bombing and yet, the Assistant Minister says that he cannot answer a legitimate question on security basis. What security basis are you talking about when people are dying from terrorism? I am asking specifically: What measures has this Government taken to prevent the occurrence of another bombing incident, leading to losses of thousands of people and billions of property? The people of Kenya require your security from these people. It is a Government which is so irresponsible.

**Mr. Speaker:** Order, Mr. Gatabaki! Indeed, I would use everything I have to withhold such information that may lead to insecurity being visited on this House. But for the other reasons the Assistant Minister is giving the House, he can proceed to do so. At least, you have seen your Standing Orders; there are occasions when a Minister, for proper security reasons, may refuse to divulge certain facts and he is probably within his right.

Proceed, Mr. Haji!

**Mr. Haji:** Mr. Speaker, Sir, I think the concern of the hon. Member is whether Kenyans are secure. I would like to assure this House that all our Armed Forces are on alert; specific places are being guarded, and we have also arrested quite a number of illegal immigrants entering into the country.

**Mr. Twaha:** Mr. Speaker, Sir, as I speak now, Osama bin Laden has not been tried in any court of law. But I would like to remind this House that His Excellency Mzee Jomo Kenyatta was once branded by the foreign media as a terrorist for not yielding to the evil-doings of the West. He was accused of leading a terrorist organisation known as the "Mau Mau Movement". Mr. Nelson Mandela was jailed for 27 years, again, on charges of terrorism. He was accused of leading a terrorist organisation by the name of ANC. Could the Assistant Minister agree with me that in this matter, it would be better for the Government to be neutral because, later on, Osama bin Laden might be called "Baba wa Taiifa"?

*(Laughter)*

**Mr. Speaker:** Mr. Osama bin Laden might be what? Mr. Twaha, what did you say?

**Mr. Twaha:** Mr. Speaker, Sir, could the Assistant Minister agree with me that it would be better for the Government to be neutral in this matter because, in the near future, we may be forced to eat our words and address him as a father of the nation?

**Mr. Speaker:** Osama bin Laden?

**Mr. Twaha:** Mr. Speaker, Sir, he has not yet been tried in any court of law!

**Mr. Speaker:** Order! Mr. Twaha, you know the Constitution of Kenya; you cannot be a President, leave alone the father of the Kenyan nation, if you are a foreigner.

**Mr. Twaha:** Mr. Speaker, Sir, I said he might be father of a yet-to-be-named nation!

**Mr. Haji:** Mr. Speaker, Sir, the Government cannot be neutral in this matter because of the experience we had when the American Embassy was bombed in 1998 and we lost many people. Anyway, the following people who were involved in the bombing of the American Embassy in 1998; Mohamed Al-Owali, Halfan Khamisi and Mohamed Sadiq Odah Olwade al-Hajj were prosecuted in America, and some of them admitted that they were agents of Osama bin Laden.

**Dr. Kituyi:** Mr. Speaker, Sir, it is part of the tradition of the Westminster model of Parliament, which we emulate, that when a nation is offering military facilities to another nation for a war in a third country, this information should be put, if not in the public domain, at least in the domain of political leaders like Parliamentarians. If a dictator like Pervez Musharraf in Pakistan can announce to his people that they are allowing their airstrips to be used by American and British forces in their war in Afghanistan, what is so unique about Kenya that just a statement as to whether we are allowing our naval or military bases to be used by the combined forces in the war against terrorism cannot be entrusted to hon. Members? What law does that contravene?

**Mr. Haji:** Mr. Speaker, Sir, when a decision will be reached on an issue like that, a statement will be issued.

**Mr. Gatabaki:** Mr. Speaker, Sir, we all want to hear from the Assistant Minister such answers like freezing of the accounts of world-known terrorists and something like that. We want to hear something conclusive so that Kenyans can really be convinced that the Government is, indeed, taking action. However, could you confirm that Osama bin Laden, whether a terrorist or a founding father as Mr. Twaha is talking about, has a home in Kenya and has been a frequent visitor to Kenya, and the Kenya Government is absolutely incapable of detecting or arresting him? **Mr. Haji:** Mr. Speaker, Sir, I think that is a very interesting statement. If the hon. Member is aware that Osama bin Laden

is somewhere in Kenya, he is most welcome to make a statement and the necessary action will be taken.

*(Several hon. Members stood up in their places)*

**Mr. Speaker:** Order! I think, all hon. Members, including the Questioner, you are becoming very casual, particularly as regards the security of the Kenyan State. I think, Mr. Assistant Minister when the hon. Member makes an allegation like that, it is your duty to come out forcefully either to accept that allegation or deny it completely. But I think also hon. Members of this House must not ever play with dangerous situations that may visit the Kenyan people with terrible acts from external organisations. I think our loyalty, first, is to the Kenyan people, and then our loyalty will be to our political friends wherever they may be; but, first and foremost, to the Kenyan people. So, I think, Mr. Assistant Minister, you owe it to the House to respond to Mr. Gatabaki forcefully, if you can.

**Mr. Haji:** Mr. Speaker, Sir, I think hon. Gatabaki's question is far-fetched. It is only because of you that I want to deny that. Otherwise, it should be dismissed!

**Mr. Ndicho:** Mr. Speaker, Sir, the question by hon. Twaha to the Assistant Minister should not be ignored. It is because of the war in the Middle East between Israelis and Palestinians, that America was bombed. Could the Assistant Minister make sure Kenya is safe by playing non-partisan politics, neither on the side of Israelis, Palestinians nor Americans? Could he make sure that we are playing local politics; African and Kenyan politics, and leave out American and Middle East politics alone so that we will be safe and our people are not attacked? We were attacked in 1998 because of being partisan. That is the question we want the Assistant Minister to answer.

**Mr. Haji:** Mr. Speaker, Sir, I think our foreign policy is very clear. I do not know how Israelis and Palestinians came about. The Question was on terrorism and I have answered it.

**Mr. Nyachae:** Mr. Speaker, Sir, I think the Assistant Minister is not clear on the Question. There are two answers we expected from him on this particular Question. One is on the military [Mr. Nyachae] facilitation. If he says the Government does not provide military facilitation to the American and British forces, then I would imagine the other question the House would like to know is on facilitation of intelligence information. Those are two different things. This is because it would be naive and dishonesty to this House for the Assistant Minister to say the Government does not provide facilitation on intelligence information because all the other countries which are against terrorism exchange this information. Therefore, they will facilitate each other as far as security of their people is concerned. Our concern here is whether the Government is going to provide military facilities or not. I think those are the two issues we would like the Assistant Minister to address.

**Mr. Haji:** Mr. Speaker, Sir, it is unfortunate that some people would like to be experts on every matter. I think I have answered the Question adequately. With regard to facilitation, a decision has not been reached. If it is reached, then a statement will be issued.

**Mr. Imanyara:** Mr. Speaker, Sir, it is common knowledge that we have been visited by acts of terror in this country as a result of our own foreign decisions, way back from the OTC and Norfolk bombing. Recently, Prof. Ongeru gave a clarification with regard to the collaboration between this country and the United States with regard to anthrax. He was very solemn while talking to this House and the nation, only for the Americans, the same evening, to say that what the Minister was telling us was not true, thereby pointing to a situation where there is no link between our Government and the United States Government. What measures has this Government taken in collaboration with the United States, to ensure that acts of terrorism do not take place in Kenya? As a House we are entitled to be told that, as an act of foreign policy, this Government is making available certain facilities so that Kenyans can know.

This House is the supreme authority; we are the representatives of the people and we are entitled to know whether there is any agreement between Kenya and the United States with regard to the use of military installations in this country. This has been indicated previously. Even the President is on record as saying that we will go out of our way to assist the United States. This House would like to know what you have done to assist the United States and how is that protecting this country's citizens? That is a question you can legitimately answer in this House.

**Mr. Haji:** Mr. Speaker, Sir, in the first place, there is no formal request that has been made. That is why I am saying that when such a request is made and a decision is reached by the Government, it will be made known to all Kenyans. Secondly, this does not only apply to the United States, but the whole international community with whom we always exchange information on terrorism.

**Mr. Munyasia:** On a point of order, Mr. Speaker, Sir. Mr. Gatabaki asked the Assistant Minister whether he was aware that Osama bin Laden has a home in this country. Does Mr. Gatabaki not owe it to this House to tell us where he understands Osama's home in this country is? We might be a target of those who are fighting the terrorists if Osama might be hiding somewhere in this country. Could he be asked to tell us where he understands Osama's home is? Otherwise, he should withdraw that dangerous assertion.

**Mr. Speaker:** Mr. Gatabaki, where is Osama's home?

**Mr. Gatabaki:** Mr. Speaker, Sir, anybody who reads *Taiifa Leo* newspaper and many other publications knows very well that for many years, Osama bin Laden was operating in our neighbouring country, Sudan, and he is a frequent visitor to Kenya. That is common knowledge for those who read ordinary publications.

**Mr. Speaker:** Order, Mr. Gatabaki! I think there must be some things we play around with, and others we do not do as the National Assembly. I do not think we take pride as a National Assembly by involving this country in international squabbles which we are not party to. Now, Mr. Gatabaki, you know the rules of this House. You cannot use newspapers as authority for statements you make in this House. Is that a statement of fact under Standing Order No.76, and if so, could you substantiate it? If not, withdraw!

**Mr. Gatabaki:** Mr. Speaker, Sir, you and I have no access to the security establishment. We also read in the newspapers that this gentleman has even an ostrich farm somewhere in Kenya. It is not my publication which wrote that. It is normal information available on websites.

**Mr. Speaker:** Order! Order! Mr. Gatabaki, would you like to withdraw that?

**Mr. Mwenje:** On a point of information, Mr. Speaker, Sir.

**Mr. Speaker:** Order, hon. Members! Standing Order No.76 says that every hon. Member is responsible for the accuracy of a statement that hon. Member has uttered. It does not say that he needs the assistance of another hon. Member, who is more likely to mislead. So, Mr. Gatabaki, if you really do not have the facts, could you withdraw so that we proceed?

**Mr. Gatabaki:** Mr. Speaker, Sir, because of the seriousness of this Question and the sincerity I hold, I am ready to substantiate what I am talking about, and bring the documents, by Tuesday next week.

**Mr. Speaker:** Order! Order! You will not! You will do it now! We are playing around with the lives of Kenyans. The other day, 230 Kenyans died out of an act of terrorism and when we make careless statements, we visit tragedy unto Kenyans. You make a statement as serious as that from the Floor of the House and you want me to give you a week to come and substantiate? No, no, I refuse. Will you do it now or withdraw?

**Mr. Gatabaki:** Mr. Speaker, Sir, if Tuesday is a long time, I could substantiate tomorrow, Thursday, afternoon.

**Mr. Speaker:** No! Now!

**Mr. Gatabaki:** Mr. Speaker, Sir, you are deliberately denying the people of Kenya the opportunity of knowing the facts surrounding this issue in order to get this terrible terrorist.

**Mr. Speaker:** Order! Kenyan people will never get facts through rumours and speculation. Never!

*(A mobile phone rang)*

**Mr. Speaker:** Order! What is that again? Who is it?

**Hon. Members:** Serikali!

**Mr. Speaker:** Order! Mr. Gatabaki, for the final time, will you substantiate or withdraw? There is not going to be any further argument.

**Mr. Gatabaki:** Mr. Speaker, Sir, it is the feeling of my colleagues down here that it is appropriate to withdraw.

**Mr. Speaker:** Order! In fact, I think it was the consensus of the House! So, you got the message right and the House accepts your withdrawal.

**Mr. Wako:** Mr. Speaker, Sir, I refer to your ruling. But did he withdraw those words? If I followed him correctly, he said that it is a consensus of those sitting around him to withdraw the remarks, then he sat down. He should have said: "I now hereby withdraw."

**Mr. Gatabaki:** Mr. Speaker, Sir, unlike the Attorney-General who signs the documents given by the World Bank blindly, I am not withdrawing blindly. It is a true consensus.

*(Laughter)*

**Mr. Speaker:** Order, hon. Members! You see, I have a problem because I cannot follow what the hon. Member is saying.

**An hon. Member:** He has withdrawn!

**Mr. Speaker:** Okay! Mr. Gatabaki, I will take it that you have withdrawn.

**Mr. Anyona:** Mr. Speaker, Sir, you will remember that yesterday - not that I am disclosing what happened in the debate that took place in camera - many hon. Members pleaded lack of understanding and knowledge of the

Standing Orders. Indeed, we did suggest in the Committee that there should be regular seminars and things like that. Is this not a case where, maybe, you should tell the House exactly what the Standing Order requires? It requires a withdrawal and apology. If it is only one, it is not complete. I thought that you would like, maybe, to guide the House.

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

**Mr. Speaker:** Order! By the way, Mr. Kiunjuri, do not police hon. Members when they are given the Floor by Mr. Speaker on a point of order. So, you must from now on respect the rights of the Chair to recognise anybody.

Now, the position is simple, Mr. Anyona. It is the discretion of the Speaker either to ask for withdrawal with or without apology. I used my discretion to order the hon. Member to simply withdraw. That having been complied with, I think that my order was obeyed. That ends the matter there.

Next Question.

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

**Mr. Speaker:** No! Next Question!

**Dr. Oburu:** Please, Mr. Speaker, Sir.

**Mr. Speaker:** Please what?

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

**An hon. Member:** What is it?

**Mr. Speaker:** What is it?

*(Laughter)*

**Dr. Oburu:** Mr. Speaker, Sir, it is not very clear to me what exactly Mr. Gatabaki withdrew because he asked a question. Was he withdrawing the question? This is because when you ask a question---

**An hon. Member:** You were asleep?

**Dr. Oburu:** Mr. Speaker, Sir, I was not asleep. Mr. Gatabaki asked a question as to whether Osama bin Laden lives in Kenya or not. I want to know exactly what---

**Mr. Speaker:** Order! That rests the matter. Next Question!

Next Question!

DETERMINATION OF DISCIPLINARY CASE  
AGAINST NYAKUNDI ADVOCATE

**Mr. Anyona:** Mr. Speaker, Sir, I beg to ask the Attorney-General the following Question by Private Notice.

(a) Is the Attorney-General aware that the Disciplinary Committee Case Number 180 of 1997 against K.A.M. Nyakundi Advocates, has been pending before the Complaints Commission since 1997?

(b) What caused the long delay in the hearing and determination of the case?

(c) What measures will the Attorney-General take to ensure urgent settlement of the case?

**Mr. Angwenyi:** On a point of order, Mr. Speaker, Sir. I rise under Standing Order No.75 which says that a Questioner must declare his interest when he asks a Question. I also rise under Standing Order No.74 on matters which are *sub judice*, and under Standing Order No.37(3), 37(10) and 37(11). I am privy to knowledge that Mr. Anyona has got a personal interest in this matter. He has got a social problem with the person he has named in this Question---

**Mr. Speaker:** Order! Mr. Angwenyi, leave your politics out there. If you want him to declare his interest, it is within your right to do so, but do not play politics in the House.

Mr. Anyona, do you have any personal interest in this matter?

**Mr. Anyona:** Mr. Speaker, Sir, I, indeed, later on, after hearing the Attorney-General, wanted to ask you to give guidance on certain aspects of this Question. First of all, I have absolutely no personal interest to declare in this matter. The matter is that a member of our constituency is owed money by the advocate concerned.

**Mr. Speaker:** Order! I do not want you to get into the story again. The two of you, please; have you got a personal interest or none in this Question?

**Mr. Anyona:** Mr. Speaker, Sir, I have said that I have none. I was going to explain the circumstances.

**Mr. Speaker:** Very well. Mr. Angwenyi, the hon. Member says that he has no interest, and I believe him.

**Mr. Angwenyi:** Mr. Speaker, Sir, he has got personal interest.

**Mr. Speaker:** Order! You will sit down.

Proceed, Mr. Anyona.

**Mr. Angwenyi:** Mr. Speaker, Sir, you are the one telling us to follow Standing Orders. Mr. Anyona, did advocate case number---(inaudible)

**Mr. Speaker:** Order, Mr. Angwenyi!

**Mr. Angwenyi:** Mr. Speaker, Sir--- (inaudible). I have got the letters!

**Mr. Speaker:** Order! You are absolutely disorderly in this House and you are now, under Standing Order No.88, excluded from this House for the balance of the day.

*(Mr. Angwenyi withdrew from the Chamber  
and handed over some documents to  
hon. Members seated next to the Bar)*

Mr. Attorney-General, what have you got to say about all this drama?

**The Attorney-General** (Mr. Wako): Mr. Speaker, Sir, I beg to reply.

(a) The Attorney-General is aware that disciplinary cause No.180 of 1997, against K.A.M. Nyakundi Advocates, is pending before the Disciplinary committee.

(b) The case was taken before the Disciplinary Committee for the first time on 6th February, 1998, for plea. However, due to suspected fraud involving payment of the amount claimed to a different person - that is the allegation - the Disciplinary Committee and the Complaints Commission passed the matter to the police for investigations before the completion of the case. The investigations have not been finalised.

(c) The Complaints Commission are pursuing the Police Department to finalise investigations to enable the Disciplinary Committee to make appropriate decision.

**Mr. Anyona:** Mr. Speaker, Sir, in view of the allegations that have been made, I would like to seek the guidance of the Chair. I would like to make a Personal Statement under Standing Order No.69 - not today - so that I can clarify the issues that have---

**Mr. Speaker:** Made by who?

**Mr. Anyona:** Mr. Speaker, Sir, the issues were raised by Mr. Angwenyi. He has made some allegations and I would like, under Standing Order No.69 - not today - to explain my position.

**Mr. Speaker:** Order! First of all, study the HANSARD. I have already, in fact, sent out Mr. Angwenyi for disorderly conduct, which, in the opinion of the Speaker, was an attempt to stop this House from hearing an answer to a Question. But I would like to appeal to hon. Members that when you bring Questions or if Questions are brought to this House, let them never be personalised. They should be in the national interest and devoid of malice; Questions that are asked in the benefit of the larger society. Let us stop being parochial. I will look at the HANSARD and you also look at it. It may not be necessary for you to revisit it, and even if it is necessary for you to revisit it---

If, in my opinion, it will be that you are also furthering what I have already dealt with regarding Mr. Angwenyi, I will stop you from doing it.

**Mr. Anyona:** Mr. Speaker, Sir, on that note, I would like to lay on the Table of this House a document which contains all the letters he was talking about from Nyakundi and Company Advocates, which says that they got wind of this Question and are threatening me with legal action.

The letter is copied to hon. Angwenyi and I would like to lay it on the Table for the benefit of the Chair.

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

**Mr. Speaker:** Very well, I now resolve that the police should proceed with this case. Mr. Attorney-General, ensure that the police do their work without undue pressure from this House or anybody else.

*(Question deferred)*

Next Order!

## POINTS OF ORDER

### FAILURE BY MINISTERS TO ANSWER QUESTIONS

**Mr. Mwenje:** On a point of order, Mr. Speaker, Sir. Yesterday, you said you have had the opportunity to chastise Ministers for failing to answer Questions. This issue has persisted and has continued to be so despite your



order that Questions must be answered in this House. Would I be in order to ask the Chair to ask this Government to resign because Ministers are not able to answer Questions in this House? They have let Kenyans down! Would you now direct that they resign today?

**Mr. Speaker:** Order, Mr. Mwenje! That is a very frivolous point of order. You are asking me to do your job. You have been asking them to resign for a very long time, but they have refused. Why do you want me to join you? It is not my business! So, please, fight your own war and leave the Chair alone.

#### SALE OF COUNTERFEIT PETROLEUM PRODUCTS

**Mr. Donde:** On a point of order, Mr. Speaker, Sir. I did ask for a Ministerial Statement from the Minister for Trade and Industry about counterfeit products. Three weeks have elapsed, but I have not received any response.

**Mr. Speaker:** Order, Mr. Donde! I do not know whether you were here last week when I advised that the best way to proceed with those issues is to file a Question because the Minister must come and answer it. I do not see the Minister for Trade and Industry here. If you want them to escape from you all the time, ask for Ministerial Statements. If you really want to be answered, just bring here a Question by Private Notice and we will ensure that they answer it. I have no control over Ministerial Statements.

**Mr. Nderitu:** On a point of order, Mr. Speaker, Sir. I do not really want go over your decision.

**Mr. Speaker:** But you are!

**Mr. Nderitu:** No. I am not questioning that. But the hon. Anyona lied to the House.

**Mr. Speaker:** Order, Mr. Nderitu! What is the matter with some hon. Members? First of all, you come from Mwea and this matter is in Kisii. Why do you get involved in all this? I have already said this is a parochial matter which I do not want. Will you stand up now and withdraw the word "lie"?

**Mr. Nderitu:** Mr. Speaker, Sir, I withdraw the word "lie" and substitute it with the word "misleading" the House.

**Mr. Speaker:** Very well, you may now sit down.

Next Order!

*(Laughter)*

#### BILL

*Second Reading*

THE FINANCE BILL

*(The Minister for Finance on 24.10.2001)*

*(Resumption of Debate interrupted on 30.10.2001)*

**Mr. Speaker:** Who was on the Floor? Mr. Waithaka!

**Mr. Waithaka:** Mr. Speaker, Sir, when I was contributing to this Bill yesterday, I mentioned the fact that this Government has been lax in bringing to this House Bills requiring the House to tax Kenyans for their own benefit. It is the business of the Government of the day to tax its people. But because of laxity and lack of seriousness as witnessed today, when Ministers turned Question Time into concert time, the Government has not done so. They are not serious when replying to Questions, as if those answers are for the benefit of the Members of Parliament.

Mr. Temporary Deputy Speaker, Sir, we call upon this Government to be a little bit serious in its business. That is why hon. Members are rising on what the Chair calls frivolous points of order. These points of order are necessitated by the very performance of this Government when answering Questions or Moving Motions. That is why some hon. Members rise on frivolous points of order to ask the Government to resign. This shows lack of commitment on the part of the Government! When you turn Question Time into concert time, you are not serious! We are asking these Questions for the benefit of the people of Kenya.

*[Mr. Speaker left the Chair]*

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

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir, I am not sure that the hon. Member is being relevant in his contribution with regard to the subject at hand. I think he is misleading the House. The Government is always serious in the affairs that concern this nation!

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I think I am relevant. I am building up the point which I want to bring out.

It is the business of this Government to bring legislation to this House, to enable them to tax Kenyans. As I said yesterday, Kenyans are prepared to pay extra taxes for the Government to raise money to pay teachers. They promised teachers that their salaries were going to be raised, but negated their own promise. The views of Kenyans on this matter as contained in the Koech Commission is that teachers should be paid what they were promised by the State.

Mr. Temporary Deputy Speaker, Sir, private schools in this country are performing better than public schools because teachers are extremely disillusioned. They were promised money and some of them even budgeted for it, but they did not get that money! Is it that the Government is not willing to pay the teachers, or it does not have the money? If it does not have the money, Kenyans are prepared to pay more in terms of taxes in order to pay teachers.

Mr. Temporary Deputy Speaker, Sir, parents are paying very dearly to have their children admitted into private schools. The Government should tax Kenyans more in order to pay the teachers. We are hurt when we pay a lot of money to private schools, whereas we have many public primary schools. If the teachers are paid well, there will be no need for us to take our children to private schools.

Mr. Temporary Deputy Speaker, Sir, you cannot claim to love children if you cannot pay the maids who are always with the children. On the same breath, you cannot claim to love the children of Kenya if you cannot pay the teachers who teach them. It is lack of commitment on the part of this Government, and that is why Ministers in this House treat Question Time as concert time. That is why I am relevant in my contribution.

**The Temporary Deputy Speaker** (Mr. Imanyara): What have you said about Question Time?

**Mr. Waithaka:** Mr. Temporary Deputy Speaker, Sir, I said that because this Government is not serious, the Ministers treat Question Time as concert time. They are never serious in the manner in which they answer Questions. That is why you hear a lot of complaints from Members and even the Chair! They think it is so casual, that they cannot be serious. It is not concert time; it is very serious business time! That is what I said about Question Time.

Mr. Temporary Deputy Speaker, Sir, in this Finance Bill, there are proposals to amend some sections in the Penal Code. There is talk of amending the law to criminalise the issuance of bouncing cheques. As a lawyer, I know that for one to commit an offence, there must be an intent to commit that offence. That is what we call in law *mens rea*. You must have an intention or a guilty mind to want to commit an offence. If you issue a cheque of Kshs100,000 and you have Kshs100,100 in your account and the person you have given the cheque delays in presenting it to the bank; one week later, the bank deducts you the normal monthly bank commission of Kshs500. Therefore, when the person that you gave the cheque presents it after that, it will be dishonoured. It will bounce! Did you, at the time you issued that cheque, have an intention to commit a crime? The answer is no! So, we must be very clear when we are saying that. If you criminalise issuance of bouncing cheques, we are going to have so many criminal cases in our courts, that the courts may not be able to handle them. Unless you are dealing with a person who, at the time of issuing the cheque, knew he did not have funds in his account or maybe, it was a closed account--- If that is the case, there is a provision in the Penal Code. That person can be charged with an offence of either obtaining money or services by false pretence. So, there is a provision in the Penal Code that can cater for that.

If you buy goods and issue a cheque knowing very well that you have no funds or you do not intend to have funds in your account, you are actually obtaining money, goods or services by false pretence, and it is provided for in the Penal Code. Therefore, we do not need to criminalise issuance of bouncing cheques because the reasons for the cheques to bounce may not be yours! As I have rightly said, by the time you issued the cheque, you had enough funds.

But the bank may deduct its commission. Sometimes, a cheque can bounce due to an error which is not deliberate. Even when you bank upcountry cheques, there are commissions which are deducted. So, it will take a very long time to distinguish between a criminal offence and a civil matter. In my view, if you do business with somebody and he issues you with a bouncing cheque, even when you go to court because it is a criminal matter, he may not be given an opportunity to be heard because you could always apply for summary judgement because at the time he issued the cheque, a service must have been either given or something might have happened. So, we are saying that there are enough provisions in the Penal Code to cater for the issuance of bouncing cheques. It should not be made a criminal offence.

Mr. Temporary Deputy Speaker, Sir, these days, even cheques from Central Bank are being dishonoured. I do not know whether, when we get bouncing cheques from the National Assembly, we should take the Clerk of the

National Assembly or the Government to court. I would like the Minister to consider that very carefully.

Mr. Temporary Deputy Speaker, Sir, when the Minister was contributing here, he talked about waiving duty on bicycles because they are an important mode of transport in this country. That is quite true and we congratulate the Minister for that, although he repeated that in his Budget Speech and he was very emphatic on it; maybe, because it is a common business in Busia; the famous *boda boda*. Bicycles are a very important mode of transport, especially in my constituency, which is a farming area. People transport their milk using bicycles. The waiver of duty on them is a welcome move.

When the Minister was moving the Finance Bill, he said that the Government has waived duty on imported timber to counter the felling of trees and the destruction of forests in this country. Felling of trees and destruction of forests in this country is not done because imported timber is very expensive. It is because of lack of a sound policy by the Government. This Government is talking about poverty eradication. But if you go to forests like Kieni, Aberdare and Mt. Kenya today, there are no trees. They have been felled and no income has gone to the Government of the day. That is why, by now, we ought to have had the short rains which usually come between the months of October and November. But the short rains are late because the trees which attract rain have been cut down by this Government.

Recently, the Minister for Environment visited my constituency and Kipipiri Constituency. What happened is that because of the destruction that has been done to our forests, he appointed a ten-man committee to oversee the cutting of trees in Nyandarua. If ten laymen are appointed to oversee the cutting of trees in an area where there are trained foresters who are supposed to do that job--- We have forest guards and Provincial Forest Officers, but they cannot do those jobs. It is becoming very worrying and Kenyans are confused! If you can appoint a person from the village to guard the forester because our forests are being destroyed by foresters and provincial administrators like chiefs, DOs and DCs---

The most difficult people in this country, who have caused all that mess, are people called DCs, who are sent to the districts to co-ordinate activities. A DC is supposed to co-ordinate activities in the district. He is not qualified for certain professions. He is neither a veterinary doctor nor a lawyer. How does he co-ordinate activities of the Ministry yet he does not understand them? They have become agents of confusion in the districts because they confuse the veterinary doctors and the foresters. That is the problem and the Government must address itself to what it will do to discipline the foresters. It does not even help because trees are being cut by foresters to enrich themselves. When you ask them why they are not responsible in their work, they say it is because they do not know when they will be sacked through the 1.00 o'clock bulletin since they are never given notice when they are sacked.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Muturi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to add my voice to the Finance Bill and generally the Budget as presented by the Minister for Finance on 14th June, this year.

Looking at the Statement that the Minister for Finance read in the House on 14th June, the Finance Bill itself and the various taxation measures that the Minister suggested in the Bill and which are contained in the Schedule, one sees great disparities. One sees great enthusiasm on the part of the Minister to tell the House that he would like to raise revenue from this economy which everyone, especially the Minister and the Treasury, knows recorded, for the first time in the history of independent Kenya, negative growth.

In his taxation measures, the Minister was keen to reduce duty on certain imported raw materials in order to spur economic growth, particularly in the industrial sector. As much as we will appreciate that it was necessary, having come from the debilitating situation of last year in the light of power shortages, one wonders about the encouragement given to those that were to import generators into the country to produce electricity that will be fed to the national grid. Part of the other considerations that ought to be included in such a policy should be that, after that power is generated, where and how will it reach the consumer? The consumers, particularly the low income earners, the unemployed and rural folks, cannot afford such power. Therefore, one wonders whether it is just mere rhetoric that you want to produce power for this country. Of what use will it be if it is produced and the consumer cannot afford it?

In relation to the industrial sector, we have heard time and again complaints from our manufacturers that the cost of manufactured goods in this country is so high compared to the imported finished products that we get, not only from the COMESA region, but from other regions of the world. One would expect that the persons preparing the Budget and indeed, what is contained in the Finance Bill, to have given serious thought to what ails the manufacturing sector in Kenya, one of which is the cost of power energy. Energy is extremely expensive. It is a well-known fact that the cost of energy in Kenya is approximately 15 US cents per kilowatt as compared to 5 US cents in Egypt and 4 US cents in South Africa. That is just one aspect that goes into manufacturing.

As much as one would appreciate the encouragement being given to the so-called independent power producers who wanted to import generators, it is something that shows half-heartedness in the way that the Government is approaching the issue of economic recovery. It is important and should be considered by the Government that the cost of power should be reduced to make the cost of manufactured goods in this country

competitive and also to make life bearable for the majority of Kenyans. I believe a lot of Kenyans would actually desire to have electricity in their homes in the rural areas. The main reason why they cannot have it today is because of the prohibitive cost. That is an area that should have been addressed with greater seriousness by the Finance Minister.

Mr. Temporary Deputy Speaker, Sir, looking at the Budget as a whole, one sees the over-excitement and enthusiasm to raise revenue. The question which comes out clearly when you look through the Finance Bill and the manner in which the revenue collected is proposed to be applied is this: If we are talking about reviving an economy that has registered negative growth, one wonders whether we have actually allocated sufficient funds to areas that will lead to recovery. I will answer that question in the negative. There is not much to show; for instance a desire to reduce the domestic debt relative to the GDP. That does not come out clearly. This is an area that left me wondering when I went through the Budget. In the Budget Speech, the Minister for Finance talked of his Budget being informed so seriously and thoroughly by the consultations that went on in the few selected districts in the preparation of the PRSP document. Looking through the PRSP document, one realises that there were areas that were prioritised but, in terms of allocation, those areas that were prioritised have been given little regard. For instance water which is an essential commodity. In fact water is life. Such minimal regard is being given to the provision of water in the Budget that one is left wondering whether the Finance Minister was not doing some PR job in what is contained in the Finance Bill.

Mr. Temporary Deputy Speaker, Sir, we have not addressed the issue of food production. We need to increase the agricultural productivity both for regional food security and even for exports. If we are really talking on a serious note, that we want to revive the economy, we must, of necessity, appreciate that we need to grow sufficient food. Our people must, first of all, be fed. Even for them to be engaged in any productive activities, they need to be fed in their homes and wherever they may be. This is so that we have enough food not just to feed ourselves but even to export.

Mr. Temporary Deputy Speaker, Sir, on the issue of infrastructure, both road and rail, indeed, even ITC (Information Technology Communications), there is very little consideration given to those areas. We know these are the areas that will naturally spur growth. I believe I will not be stretching imaginations too far by saying that I will not be surprised when the Minister for Finance comes with his Supplementary Estimates here and starts saying, among other things, part of the reasons why he is now experiencing even greater deficits and, indeed, I believe it has already been said, is the unexpected events of 11th September, 2001 in the USA. However, one wonders whether we do not have, in our planning system, something called contingencies. Do we not plan for contingencies and those unforeseen things? This is because we know there will always be something that we may not have thought about. That is something that is beyond us due to frailty of human nature that we may not have been able to say that this was likely to happen or is going to happen. This is so that we should be able to cushion our economy at all times in the event that the unexpected occurred. We have not given serious thought to those issues.

Mr. Temporary Deputy Speaker, Sir, another very critical area - and I have had the opportunity to listen to a number of my colleagues talk about it - is the area of education. Time and again, almost everyday in this House, Questions are asked about the effects of the brain drain we are now experiencing in this country. A lot of our trained manpower is leaving this country and we do not appear to be giving any sufficient consideration to that. What is it that we train our people for? The majority of them are trained here locally. I believe they would also want to work here. If they were willing to be trained here locally, I believe they would be willing to work here and serve the nation. However, it is an altruism that we train them and we do not give a damn about what happens to those who we have trained. The example I have in mind is of a parent who brings forth a child but is not bothered about what that child eats. We need to think afresh about these issues.

Mr. Temporary Deputy Speaker, Sir, it is important that even the question of Harambees be given some place in our national budgets. What is the place of Harambees relative to our Gross National Product (GDP)? How do Harambees affect our overall performance? Just this afternoon, we have heard about Harambees being stopped and others being allowed. So, what is the policy really? You will make application to some authorities to conduct Harambees for construction of a school and it will not be a surprise to hear the next day, some other fellow, and he could be a fellow politician, stopping it. Indeed, the practice that I have seen is of those that consider themselves to be senior, because I do not know where the criteria comes from, will "litter" the entire place with haphazard and unplanned Harambees. They have a direct bearing on what our people do.

The hon. Assistant Minister for Finance and Planning, I believe, who is my friend, does not seem to agree with that. This is because we have people loitering all over the Republic. Indeed, a clear case is in my own constituency where we cannot even know what Harambees are going on. This is because we plan and then some neighbouring politicians come and disorganise the whole thing. So, at the end of the day, you do not know how much is being collected within one area. Of course, these days it involves fellows hovering around and all over, especially in my place, claiming they want to become regional presidents. I do not know where that is going to come from but these are the kind of things I am alluding to. These are misguided fellows who want to cause confusion. That confusion

coming from a politician is even greater in planning. People would not know what is being done somewhere.

If the Ministry of Finance and Planning is going to know what is happening in the rural areas, there has to be order. They have to know that a certain community in this area is planning to fund raise for a water project. This is so that in the planning and preparation of the budget, whatever is collected countrywide is reflected as likely to be realised. This is because of what use is it that the Government plans to spend Kshs200 million on water and, indeed, it plans on money that it does not have? It hopes to raise it either through taxation or some other way. A lot of it, of course, in the more productive sectors, is pegged on donors. It is no wonder that day in, day out, we will always have our Budget in disarray. This is because, of course, when you are being told that you are misbehaving, doing this and that, your country after several months of consultations involving all manner of people in the Republic, PRSP consultations, people have given you priorities like in this area water is a crucial priority; and in the other one, road infrastructure is the first priority; and then, when it comes to planning, all we are doing is that in our budgeting we are interested in knowing how much we are going to collect, and how much of it will go to recurrent expenditure. Of course, we do know there is also the constitutional payments, but after we have done that, the first thing we want to do is to plan that this goes to recurrent expenditure. It is no wonder that we seem to allocate something less than 30 per cent of what we collect to go into development expenditure. This is because a lot of the other things we put in, are things which are dependent on donors. It is high time this country woke up to the reality. We must be informed and guided by good practices like those in the private sector. If we agree to be informed and guided by good practices, just like a businessman, we must not spend that which we do not have. We must not even hope to undertake development, or give our children hope of undertaking development for their future using money which we have merely been promised by certain institutions.

Mr. Temporary Deputy Speaker, Sir, we know the approximate amount of money we will raise from revenue. So, my plea is that we should not rely on aid from either multilateral or bilateral donors. Let us tell our people what we can do for them using the available resources. Just like a businessman conducts his business on the basis of available resources, we should promise development to our people on the basis of, say, the Kshs30 billion that is available annually. We should forget the Kshs70 billion we hope to receive from donor agencies since the disbursement of a lot of that money is pegged on our behaviour. Unfortunately, some of us are not very well-behaved; that is in the public domain.

Despite our misbehaviour, we have unnecessarily made Kenyans to expect a lot of development, which is not forthcoming. We have promised to rehabilitate major infrastructure such as the Nairobi-Mombasa Road without success because we have to negotiate with donors for money for a lot of the works we wish to undertake on the roads. It is, therefore, little wonder that, in a speech read on his behalf by one of his Assistant Ministers at a certain function in Nairobi recently, the Minister for Finance lamented that the International Monetary Fund (IMF) had ordered him to append his signature on the dotted line of a letter purportedly to accept certain conditions given to the Government for resumption of aid to the country.

So, what should we do? If we promise what we cannot deliver and refuse to live within our means, we will always be subjected to this kind of embarrassment. Indeed, it was only fair for the Minister to own up, and I commend him for doing so, only that he went public rather too late. The majority of us, who care to read serious materials relating to the Government, knew long before that, that was the position. Just the other day, the Attorney-General admitted here that he had to seek expertise from the World Bank and the IMF to draft a legislation for enactment. The House ultimately rejected the Bill that purportedly sought to entrench the Kenya Anti-Corruption Authority (KACA) into the Constitution. The Bretton Woods institutions pegged their support to our current Budget on the passage of the KACA Bill.

The question that is nagging me is: "Suppose we use the locally available resources prudently, and considering the fact that some serious people in this country are willing to invest their money locally, can we not stand on our own feet? Surely, we cannot lead lifestyles of other people. The country is in great danger due to our over-reliance on what we get from all manner of upstarts. We are forced to prepare policy papers, which are not necessarily based on the realities in our country. Papers of this nature have been cited here as authority.

People come into this country with all manner of post-graduate papers, which they use as the basis of dictating to us how much coffee, pyrethrum, skins and hides, tea, among others, we should produce. A basic question which I keep asking myself is: Why can we not, as a country, first of all, appreciate the importance of coffee, tea, hides and skins? After realising the importance of these commodities, we can create the necessary local wealth. We can look for ways and means, using locally-available expertise, of creating awareness amongst our people in order to create local wealth for our own consumption. If we consume these commodities locally, the Government will generate revenue.

Mr. Temporary Deputy Speaker, Sir, the latest development that has attracted a lot of attention in this country is the much-talked about African Growth and Opportunity Act (AGOA). Even as I speak here, the Minister for Finance

and his Trade and Industry counterpart are in some place in the United States of America (USA), following up matters related to AGOA. Really, we cannot be told about the importance of wearing clothes; we already know that. But, we are now being told to revive our cotton industry so that we can export coffee products to the USA. People in the USA are the ones who know the use for textile.

What I am trying to say is that we need to re-think our prioritise. We should, first of all, look for ways and means of creating rural-based wealth, so that we can expand the country's tax base. First and foremost, we must address the issue of water availability and food security. Once we address these two things, our people will produce a lot of crops and drink a lot of coffee. We will not need to export our coffee to Afghanistan even if that country remained engaged in war for the rest of our lifetime. As it is now, the moment war broke out in that country we found ourselves in trouble because we have not created a local market for our coffee. Our people do not take as much of the locally-produced coffee as is taken by people in other countries.

Mr. Temporary Deputy Speaker Sir, as we talk about AGOA, and as everybody runs up and down about this arrangement, our people are buying second-hand clothes. Can you see the contradiction in what we are doing? We are being told to revive our textile industry and produce cotton, which is going to be used to manufacture clothes that will be worn by people in the USA, which will ultimately be sold to our people as second-hand clothes. What planning do we ever do? This is extremely lop-sided; I cannot understand it.

The Government should be serious. This country is not short of experts. However, when experts give ideas, there should be willingness to buy those ideas on the part of the political leadership. The political leadership should be willing to accept our experts as its advisers. You cannot be number one in everything. It is not possible. We could be very good athletes but we may not know how to play snooker. So, it is just something that calls for appreciation of the various abilities and capabilities of the people we have in the Government. Technocrats need to be appreciated.

With those few remarks, I beg to support.

**Mr. Donde:** Mr. Temporary Deputy Speaker, Sir, first I would like to thank my colleague, Mr. Muturi, for bringing out some of the very crucial points in the Budget that was presented to this House on 14th June, 2001. I am very happy that, at least, we have seen some of the very key points in this Budget being addressed. I think the Minister missed out on a lot of things in this Budget. He has also missed out on the dual object of the Budget. The Budget is not meant just to raise funds in order to pay for the Government expenditure. The other role of the Budget is to ensure that it spurs economic growth. This country can only move forward and we can only provide for Kenyans if there is growth. So, a Budget which just targets raising funds in order for the Government to pay for its expenditure without looking at the growth aspect of the economy, is not a sufficient Budget, in my opinion. I think that is the opinion of most people in this country. They look forward to a Budget, not just to see how it will punish them and make them pay for this and that, but to see what in that Budget will ensure growth so that the national cake can become bigger, and be divided among all our children.

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

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

Mr. Temporary Deputy Speaker, Sir, this is something which the Government must understand. We must always address the growth issue in all the Budgets that are brought to this House. I know that there have been a few things here and there dropped in form of waiver on raw materials in order to spur growth in the manufacturing sector. That is not good enough. Those are things which will really take time to filter into the economy. The situation in which we are at the moment, with the stagnation we have had for the last one year, requires very radical measures in order to jump-start this economy. I would imagine that we need to look at areas where people need to be less taxed in order for them to consume more. In that way, the Government will collect more taxes from consuming Kenyans. But if we are not reducing taxes to encourage consumers to go out and spend their money, then we will get less and less areas from where to collect taxes.

I would really like to recommend some areas which I would like to see the Government tackle in order to spur economic growth, so that we can get out of this seemingly endless stagnation of the economy. For example, if you look at the rate at which this Government has liberalised its economy since 1991, you will find that it appears as if it has no regard for the economy, and it thinks that the economy of Kenya is equal to the economy of the United Kingdom, the United States of America or any other country in Europe. We are still hundreds of years away from those advanced economies. There is no way you can tell me that the Kenyan economy can compete on equal footing with the economies of Europe and the United States of America.

So, this idea of thinking globalisation when it comes to our manufacturing or industrial sector is a totally misplaced idea. It will never work and will only continue to destroy the manufacturing or industrial base of this country and reduce it to a supermarket economy, where people just trade between each other. For example, you can see that toothpastes, pencils and biros are imported and all the factories in Industrial Area have closed down. We cannot afford the competitiveness which we have in Europe. The industrial technology there is so much advanced; it is way ahead of our times. Therefore, if you cannot protect the local industry, then you are not protecting jobs and Kenyans.

Therefore, you will have an economy where everybody is unemployed, yet you want to tax them. You will then tax a few people who are working and just take away what they could be sharing with those who are unemployed. For example, each employed Kenyan is looking after ten to 15 people who are not working. Therefore, the more you target those workers, the fewer they become and the more you want to tax them, the more you create a retrogressive element in our economy. So, I would imagine that there must be a way in which we can solve these problems.

I have lived in the United Kingdom for a very long time and I came back to this country in 1991. Just before I came back, UK was liberalising its economy. That was during Mrs. Thatcher's tenure. Before then, the economy was controlled and all the industries were protected. If Great Britain liberalised its economy in 1991, who are you to think that you can liberalise your economy in 1993? This is not possible. In this case, you have destroyed this country, and yet you get this advice free from us. We come here and tell you the right things and instead of taking the advice, you argue. For example, I remember attending some workshops and I know all the people who prepare the Budget attend workshops. I just came from Mombasa yesterday where I attended a very important workshop and you are never short of advice in those workshops. There are experts and they are there to advise you, but the only problem is that the Government never seems to listen. It always seems to think that the gentleman in Washington or London must be the person to listen to.

Mr. Temporary Deputy Speaker, Sir, I listened to Mr. Itam, the World Bank representative in the country, talking on television yesterday and I thought that his was stupid talk. What does he think this country is? He thinks that this is a country where he can just come and start saying the kind of things he said on television yesterday. For the dignity of this country, this is wrong. I do not think that even I can go to where he comes from and talk like that. He even despises this Parliament. Things which we have passed here and made them into law, he still thinks he can reverse them. We are here to represent the people and we travel every week. Last weekend, I was in Malava Constituency and I have been to so many places. Everywhere I go, I see the problems our people are going through. We have the solutions to those problems. The Government must listen to us, hon. Members of Parliament, because even Treasury officials do not know what we know. We represent the people. For example, as I stand here, I am told that there are people outside there waiting for me because they cannot take a dead body to Gem. All these things happen to us. Hon. Members of Parliament should not be insurers against problems, but our people have no choice and they must come to us.

I would like the Government to realise that the only way to make our industries work is to re-introduce some measure of control in this country. If I am given a chance to do that, I will make sure that we do it because that is the only way out. The Minister, the other day, having liberalised the bicycle trade, the only one bicycle factory, which was here, had to close down. Now again, the same Minister is exporting jobs to China by saying that now we can import bicycles free of duty, yet Kenyans who were manufacturing bicycles are out of jobs. What is he trying to tell Kenyans? Does he think it is nice for them to sit in their houses instead of working? Is it dignified for you to have a child and a family you cannot look after? Yet, we have the solutions for the problems facing the people of this country.

Mr. Temporary Deputy Speaker, Sir, I sometimes do not understand. I feel very strongly that if we do not do something very soon, some of us, hon. Members of this Parliament, will start inciting the crowd out there. This is because we have solutions, but the Government does not want to take our advice yet these people are suffering. Just go to Kibera here in Nairobi and you will see how people are living. Some people are living on the river banks.

We have the money which can be used to look after these people, but we all pretend not to see what is happening. We have families who are going hungry, we have people who do not have blankets to cover themselves at night and we have the solutions to arrest those problems. So, I would like the Government to tackle the issue of sub-standard goods and contraband products which are being imported into this country. We know the people who are doing these things; we know Dosh Hardware, Mr. Ashok and all that! These are criminals and economic saboteurs! We know their names and where they hide the goods and we know the warehouses. We have institutions like the Kenya Revenue Authority and the Kenya Bureau of Standards and they do not want to do their jobs. They tell you that they have no---

**Mr. Kajembe:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is Mr. Donde in order to say that Mr. Ashok is a criminal? Is it fair for him to mention the name of a person who is not in the House and who cannot come before this House to defend himself?

**Mr. Donde:** Mr. Temporary Deputy Speaker, Sir, anyway, I mentioned his name for the first time because his

case has been taken to court and the hon. Member did not know that. I can tell him that there is nothing to hide! He owns warehouses where all these contraband products are stored. We have lost billions of jobs in this country because of these bad practices. I do not know why hon. Kajembe wants to protect this man. Let me tell the hon. Member that I have got facts, I never speak without facts.

**Mr. Kajembe:** On a point of order, Mr. Temporary Deputy Speaker, Sir. If he has been taken to court, it does not mean that he is a criminal! He has not been proved guilty!

**Mr. Donde:** Okay, if that pleases the hon. Member, I will leave it. But, maybe, he might give you whatever he wants to give you.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about education in this country. I was brought up in this country and we used to get free education right from Class One in primary school up to the university in this country and the Government met all our education expenses and on top of that, we were given what used to be called "boom". Now, what are we doing to our children? If our fathers made sure that the Government was disciplined enough to provide free education at university level and even gave us pocket money called "boom", how can it not do the same to our own children? Before our children join university, they must look for me or hon. Marimoi in order for them to go to university, yet their parents are unemployed. Where do we expect them to get money from for their education? So, I want to tell the Minister for Finance to include Kshs1.5 billion in the next Budget - I know he can afford it, so that the money should be given to the Higher Education Loans Board for every university student to be given a loan so that they do not suffer and start begging. If he does not do that, we will reject that Budget. He must include that money in the Budget! We can afford to spend an extra Kshs1.5 billion because this is a small amount of money for the Government to be able to raise. Indeed, it is just a loose change for the Government, yet we leave our children suffering and looking for money because most parents do not have any form of employment. How do you expect parents who are unemployed to pay for their children's education? We must know where our priorities lie. We cannot spend money on things which do not matter to this country, yet our university students are suffering! We were accorded free education at university level in this country, and we know we can afford to do that. We must tell the Government not to pretend always that it cannot do this or that, because we know that money is being wasted in other sectors. Since it is too late to do anything this time round, I would urge the Minister to make sure that there is enough money set aside in the next Budget to give loans to all students who have been admitted in our universities so that they can complete their education.

Mr. Temporary Deputy Speaker, Sir, let me now touch on Strategic Food Reserves. At the moment, a lot of people have put money into maize production. For example, in the early harvesting areas like South Nyanza, Kuria, Bomet and Kericho, farmers have already harvested their crop. The cost of inputs used in harvesting is about Kshs600 or Kshs700 per bag. If you go there now, you will find that these poor people are selling their maize for Kshs400 a bag and yet the Minister reads the Budgets here and he does not make any provision to the National Cereals Produce Board (NCPB) to make sure that it buys maize from the farmers for the Strategic Food Reserves. Three million bags are required for Strategic Food Reserves at a cost of Kshs3.5 billion. This is something that the Government is aware of. It is aware that the early harvesters do harvest in August and up to now, these people are stranded.

I was driving through that area the other day and I could see that their produce is going to waste because they are completely helpless, yet the NCPB is supposed to make sure that enough maize is bought and kept as Strategic Food Reserves. This money should not be considered as waste because the NCPB just buys maize to stock and when they sell the maize, the money goes back to the Government.

Mr. Temporary Deputy Speaker, Sir, the maize-harvesting areas in the North Rift, the Nandi and Kitale regions are going to harvest maize in a month's time. If the first area are selling maize at Kshs400 per bag, what is going to happen after harvesting their maize crop? It is going to be a disaster for farmers because we will not buy that produce immediately although we need it for long-term needs. So, I was very surprised to see the Minister for Finance stand before this House, read a Budget and not take cognizance of the fact that there is need to set some money aside for Strategic Food Reserves and also to secure some income for farmers. If you let farmers sell their produce at low price like say Kshs400, and you expect them to plant maize again in order to feed this nation, it means you do not care about them! Where will they get money to buy the farm inputs? Unless you return to them, at least, what they had put in during the planting season, you cannot expect them to plant maize again. So, it is important that the Government keeps some money aside for Strategic Food Reserves and make sure that our farmers are able to sell their produce at a rate which will allow them to look after their families, themselves and engage in the next planting season.

Mr. Temporary Deputy Speaker, Sir, I know and there is no doubt in my mind that we are going to make several amendments to the Finance Bill as we did last year. This is true because there is very little consultation going on between the Treasury and hon. Members during the Budget-making process.

In all other countries, Parliament has a Budget office where the Treasury and Parliament can interact at early stages and then Members of Parliament can give their opinion on what problem they see coming from the ground; how



it can be corrected and, how Kenyans feel it should be corrected. Therefore, we will have less and less amendments to the Finance Bill. It is becoming more and more embarrassing to see half of the Finance Bill being amended because of lack of consultations. I am sure you will see disaster here when the amendments come, as we saw last year. This is not good for a sitting Government! Why do you not consult us because we are experts and we know these things? Hon. Members interact with ordinary people and they know what problems the people have and which ones they want solved. They also know the solutions to those problems. We can do that for the Government without you losing any revenue, but the Government does not want to listen or consult us. The Government wants to sneak things into this House just as it has been doing in the previous Parliaments. We are not going to allow that to happen again!

I have read this Finance Bill word-by-word up to the end. That does not bore me because I know, if I do not do that, they can sneak in things which are going to be discriminatory to the people of this country. They are just pretending to be doing some work for us. But there is no work that they are doing! All what they are doing is just to pile problems on top of problems for Kenyans. So, I will urge the Minister for Finance to encourage consultations between the Treasury and Parliament, during the early stages of the Budget-making process because there is nothing secret about the Budget. We should consult each other so that when the Finance Bill comes here, we will very proudly endorse it because it has been done the way hon. Members think it should have been done, to enable Kenyans move forward.

Mr. Temporary Deputy Speaker, Sir, I would like to say something about the Central Bank of Kenya (Amendment) Act which is in place now. I would like to say that, at the moment, for reasons unknown to me, the banks are not implementing the Act fully. This is the case, and yet this Government has benefited most since this Act came into being. I remember when I first brought the Central Bank of Kenya (Amendment) Bill, 2000, the interest rate for Treasury Bill was 24 per cent. A simple calculation with a domestic debt of Kshs180 billion reveals that the Government was paying Kshs43 billion yearly interest on Treasury Bills. For the last one year the interest rate has been hovering between 11 and 12 per cent and the Government has made Kshs22 billion out of this Act. This is the case, and yet they do not want to ensure that the Act is implemented at the moment. They keep on giving the public the impression that something new will happen other than what has happened. I know that there is nothing which will happen. We are in this House, which passed that Bill. We are not children, who will pass something today and tomorrow they forget what they had done. Therefore, it is important that the likes of Mr. Gareth George, who talk like somebody who has verbal diarrhoea, should stop talking the way they talk out there. They should know that we are serious people, and whatever we do here, we do it on behalf of Kenyans. These people cannot go out there and pretend that what we are doing here is rubbish, or does not hold anything. I would like the Minister to inform the Central Bank of Kenya that, if it will not keep the law, then we know what we will do. They should not think that they are clever than us, who are here. We know what we can do. We can stop the operations of that bank in a minute! The Minister should know that when this House passes laws, he should make sure that those departments which fall under him uphold the rule of law so that we can move forward.

**Mr. Kamolleh:** Mr. Temporary Deputy Speaker, Sir, did I get Mr. Donde correct, that we can stop the operations of the International Monetary Fund (IMF) in a minute, or did he mean another bank?

**Mr. Donde:** Mr. Temporary Deputy Speaker, Sir, let him come up again.

**Mr. Kamolleh:** Mr. Temporary Deputy Speaker, Sir, is he in order to tell us that he can stop the operations of that bank in a minute?

**Mr. Donde:** Mr. Temporary Deputy Speaker, Sir, it is possible. This has been done by many countries. I know the operation of Barclays Bank in Nigeria was stopped overnight, and there is no Barclays Bank in Nigeria, if he did not know that. I know that in Europe, banks have been made to collapse within some few days if they do not behave. We can do this! We have a country to run. We do not play when we come to this House. We should make these people understand that we have no time to play. We have had enough problems in this country, and we cannot encourage people who are out there to behave as if we do not represent Kenyans here, or as if the Kenyans we represent do not matter to anybody. We should make them understand that. I know how this can be done. If the Ministers will not instruct the banks to keep the law, they will regret because they will have a collapsing economy very soon.

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

**Mr. Donde:** Yes, Mr. Murathe!

**Mr. Murathe:** Mr. Temporary Deputy Speaker, Sir, I just want to inform Mr. Donde that it is possible to stop the operations of these banks. This is because the courts have already declared that the banks have been charging interest illegally from 1991 to 1997. I would like to point out that interest should have been at 16.5 per cent when the law had not been changed, but the banks charged up to 40 per cent. It is possible for Kenyans to go to court. Anybody who was fraudulently overcharged by those banks should go and claim his or her money back, and those banks will shut down tomorrow!

**Mr. Donde:** Thank you, Mr. Murathe. I think he has just confirmed what I have said. I would like to point out that people out there are very angry. There are many court cases and unless something is done urgently, to ensure that the banks comply with the law, this problem will become bigger and very soon they will be unable to cope up with it. These Ministers cannot come to this House to seek for assistance because we will not give them any. They have damaged this economy more than enough.

So, let us make sure that we, who are in this House, do not go out there again to encourage others to break the law. I was very surprised to see the CBK Governor speak the way he did on television when he knows very well that he can only implement what this House has passed because he is not a legislator. We make the law, he implements and the court interprets it. You have seen him speak like a child on television. These are the kind of things that we cannot allow to happen in this country. We should be serious people if we want to help people who are out there.

I do not want to say a lot, but I would like to urge the Minister for Finance to ensure that the Budget is not only meant to raise revenue, but it also addresses economic growth. If the Minister uses the Budget to raise revenue without looking into the aspect of economic growth, then he is really doing nothing to this country. I would like to say co-operation between Parliament and the Treasury should take place early next year when they start to write the Budget so that hon. Members of Parliament can have some inputs into it. This will enable us to tell them what Kenyans want and expect from us, who are in this House. This is the only way we can move forward and secure a future for our children. I am saying this because we were brought up very well by our fathers when the country was doing well. I feel sad to see the way our children are being brought up now; the way they suffer when they are in universities. They beg for money to go and pay the university fees, which we did not pay. Instead we were given some money as pocket money. What are we doing to these children? I have nearly 36 university students in Gem Constituency, who are not in their respective universities, and I cannot afford to give them the money. This is the case, and yet during our time we had all the luxury of going to university and being given pocket money in this country. If this has happened in this country, why can we not do it now? What are we doing to those children?

Mr. Temporary Deputy Speaker, Sir, I think we should be serious when we discuss the issues which face this country. We should understand the problems our fellow Kenyans undergo. I know that some people do not know how it feels to sleep in the cold, hungry and see your child being sent away from school and sitting with you in the house. It happened to me one day, last year, when I was doing the Central Bank of Kenya (Amendment) Bill 2000 and I could not manage to pay the fees and my daughter stayed out with me for one week. I was very embarrassed and that happens to many parents. This is the case and yet they are unemployed. There is nothing we can do and there is no programme which the Minister has put in place which can create jobs in Kenya. All the Ministers do is just read how they would like to take more money from Kenyans. This year, they will take Kshs195 billion as revenue, and yet they cannot pay for university education, have programmes for old people and do not know how these people are treated. There is nothing in place to take care of the old people in this country. A country which does not take care of its old people is not a country worth talking about.

We will bring a Motion before this House very soon which will establish a pension scheme. We will make sure that we reserve some money for the senior citizens who are over 65 years old. At least, we will ensure that we set aside Kshs1,000 or so, so that these people can be able look after themselves even if this amount of money is little. But we should have a programme in place which caters for the senior citizens of this country, who have worked very hard in various areas of our economy. We will do that in this Parliament because we are capable and we know that we can afford it. There are only 1.4 million people in this country who are over 65 years old, according to Government statistics. Can we not look after these people? Can we not care for them? Can we not make sure that they get medical attention? Can we not make sure that they have something warm to eat everyday? This is the case and yet the people who work are four million. Here, we earn Kshs400,000 and not a single cent is being deducted from me by the National Social Security Fund (NSSF). Why is this the case? We should ensure that every person who works pays for the security of old people. We should give part of salary to the NSSF, for a national programme for pension for those people who are not working. This is how it is done in other countries and these things can be done here. But when you want to bring them, you get such stiff opposition in this country as if those people are not their relatives or as if they are coming from a different world. We have the money, the capability and the resources and yet, we let our senior citizens sit in the cold, eat cold food and live roughly. We sit here in a warm place thinking that we are doing something for this country yet we are not. Until those senior citizens are also warm, until they can have, at least, a warm meal or a blanket to cover themselves, we have no reason to be here. Our being here is to make sure that Kenyans out there, including our children, are adequately catered for. I brought a Motion here to make sure that primary education is given to everybody and it was passed on 6th June. The President also added his voice the other day and yesterday, I asked the Minister for Education why he has not written the circular. According to Government statistics, there are 2.8 million children between the age of six and 13 who are sitting at home because they do not have levies like Kshs30 to pay a watchman. What are we doing? It is so shameful even to think that we are in this Parliament to help our children and

yet, we have passed this Motion here and nobody wants to just write a circular to schools for its implementation.

With those few remarks, I beg to support.

**Mr. Kajwang:** Mr. Temporary Deputy Speaker, Sir, I want to say that this Bill talks of economic recovery. When a budget talks of economic recovery, you suppose that the economy has collapsed. There is nobody who recovers from a sickness unless he was down. The problem is: When did we go down? How did we go there? That is what the Minister, in reading his Budget, did not tell us. We are recovering from what, from war? When we hear of economic reconstruction in other countries, like Uganda, because there was a war between Uganda and Tanzania, they can talk of economic recovery. They were plundered by war. What happened to Kenya? Since 1963, there has not been any interruption of the KANU Government rule in this country except for a brief moment when Ochuka shook them a bit in 1982. But, otherwise, this country has been run by KANU since Independence and they always say: "We are the most stable Government and the most stable country in the Eastern African region", which could be true. But what happened? Why are we now talking of economic recovery? Who destroyed the economy to the extent that we must now restructure it and recover? This is what the Minister for Finance did not tell us. This is what these experts who advise the Minister for Finance did not tell us. You cannot start treating a disease before you know what caused it. Is it the rains? When they are short, they tell us it is drought. When they are too much, they tell us it is *El Nino*. When it is too hot, they tell us it is *La Nina*. These excuses are taking us nowhere. There must be a reason why our economy is on its knees. When we get to that reason, then we can start talking of recovery. That is what the Minister for Finance did not tell us and we expect him, in his reply, to tell us what we are recovering from. Who brought us down?

Mr. Temporary Deputy Speaker, Sir, I will give you just three examples. There is a road in Nyanza, in Siaya, which was supposed to be tarmacked from Ndori to a place called Owimbi in Uyoma in Mr. Ngure's constituency. When the contract was given, the contractor went to the site and did a few structural adjustments on the road. He did some bridges and some other things there. In the course of doing his work, the then Minister for Roads and Public Works, I can mention his name if I am challenged, instructed the contractor to move from Bondo to go and work somewhere in the Rift Valley.

**Mr. Kamolleh:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for Mr. Kajwang to speak of ghost Ministers when he can actually tell us who it was because this is a shame to the Government if a Minister would remove a contractor from one place to another? Could he withdraw and apologise, or substantiate who this Minister is?

**Mr. Kajwang:** Let me tell you the damage he did before I name him. He went and did some other work on some other road in Rift Valley, which he was paid for. But nobody terminated his contract for the Ndori-Owimbi Road. Of course, he moved his equipment from Ndori to Rift Valley. This contractor is asking the Government to pay the construction company Kshs300 million because his equipment has been "lying idle" in Ndori for the last ten years. Of course, there is no equipment lying idle there because it was being used elsewhere and he was being paid for that work. Right now, as we talk, a cheque is being drawn from the Ministry of Roads and Public Works from our taxes of Kshs300 million to pay the man. Even those years, his contract was on and his equipment was lying idle and so we must pay him for the "damages" he suffered. I will give you a second example and then I will name him.

There is a building which was supposed to be constructed in the place of Herufi House just next to the Treasury Building. It was called the Treasury Tower and I am sure you have never heard of it. The Treasury Tower was going to be taller than the Times Tower. But the cost as agreed with the contractor; that is, Mugoya Construction Company, was Kshs1.2 billion for the construction of that tower. Then he was given a letter authorising him to start working, but later on, I think the Government realised that they did not have enough money. I do not know why they start projects before they find out whether they have money or not. Everybody else, including the engineers and the consultants, were told that the construction could not proceed. That is ten years ago. But nobody terminated the contract of Mugoya Construction Company to construct the tower. Today, there is an arbitration between Mugoya Construction Company and the Government. Mugoya Construction Company is demanding Kshs1.2 billion because his equipment has been idle. Of course, there was no equipment because Herufi House was not even brought down. They never started work. But these experts, who advise the Minister for Finance, did not terminate the contract. I understand that after some consultation, a cheque is now being drawn for Kshs800 million to pay Mugoya Construction Company for "damages" for his equipment which was lying idle. How do you grow that way? Is it not the reason why we must talk of economic recovery? The money we have, we throw it to good boys, who have good connections and they share it with the people who give them this much.

Yesterday, we were talking about Nyanza Provincial Headquarters. The Nyanza Provincial Headquarters was supposed to be built at a cost of Kshs175 million. The building is complete and the windows have been done. In fact, some window panes are there intact. Then somebody appears from nowhere, who is also instructed by the same Government and varies the contract to Kshs600 million to complete a project which would, otherwise, have cost Kshs175 million. The Government is now saying that they do not have the Kshs600 million, so they cannot complete

it. But the contractor is demanding his Kshs600 million because his equipment has been "lying idle." His contract has not been terminated and somebody is going to pay him. If there is no money, because you heard the Minister allude that they might sell it, they are going to give it away to Mugoya Construction Company again. The Mugoya Construction Company will sell it at the same amount of Kshs600 million to somebody who will open a hotel there. If we run a government or a business like that, how will our economy ever recover, even if we want it to recover?

**An hon. Member:** Who is Mugoya Construction Company?

**Mr. Kajwang:** Mr. Temporary Deputy Speaker, Sir, Mugoya is a famous contractor. The country is littered with uncompleted projects of Mugoya Construction Company.

Mr. Temporary Deputy Speaker, Sir, we cannot develop that way. We cannot recover that way! We can as well say we have written the death certificate of this country. If the people who have been given the mandate to run the Government cannot do it, and then we cannot vote them out during elections because they have a lot of money which they have already "eaten" from the stalled projects, what do we do? What do the people of Kenya do? You will force people to be terrorists---

**Mr. Kamolleh:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Kajwang is now going over the board because there is a co-operation between KANU and NDP. The way he is talking, it is as if he is no longer in the Government. Could he state his position whether he is in the co-operation or not rather than saying we have given certain people the mandate to run this country? Is he in order to cast aspersion to the co-operation?

**Mr. Kajwang:** Mr. Temporary Deputy Speaker, Sir, I appreciate what my colleague has said about co-operation. If he was not here when I was contributing to the Vote on the Ministry of Energy, I said there are no electricity meters in the whole of Suba District. We also have a district hospital which require electricity. There is not a single kilometre of tarmac road in the district. We also need roads in that district. So, when I am talking for Suba people, I do not care about co-operation!

Yesterday, I listened with a lot of anger when somebody---

**Dr. Ochuodho:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The co-operation was launched in my constituency. One of the five conditions of the terms of the co-operation was to tarmac certain roads and hon. Kajwang was talking about one of them. There is not a single kilometre of tarmac road in Suba District. Is he confirming to the House that he is no longer a party to the co-operation? Could he clarify whether he is still in the co-operation because he says there is no single tarmac road in Suba District?

**The Temporary Deputy Speaker** (Mr. Muturi): Order! Dr. Ochuodho, that is a point of an argument; it is not a point of order!

**Mr. Kajwang:** Dr. Ochuodho wants to provoke me and I do not like the provocation. I am very clear in my mind about what I am saying because I am a Member of this House and talk for my constituency. Even if I was in KANU, which I am not, I would still be speaking the same way.

Mr. Temporary Deputy Speaker, Sir, I heard Mr. Itam read some "riot act" to the Kenyan Government. Hon. Ojode has already talked about him. In fact, he spoke like a beleaguered headmistress talking to young girls: "Keep your dresses long." I did not like him. The IMF wants to rule this country. They want to manage our micro-economy. In fact, they want to be the Minister for Finance of this country. I think sooner or later, the IMF will nominate the Minister for Finance.

The other day, they wanted the Attorney-General to almost abdicate his responsibilities and give them to somebody else called the Director of Anti-Corruption Authority. They ordered him to do that. He brought a Bill here which he knew was wrong. It was fundamentally wrong! You never go to any country and find two prosecuting authorities; the Attorney-General who is the director of prosecutions and a director of anti-corruption authority who is also a prosecuting authority; all of them with constitutional authority. We do not do anything like that and it is nowhere in the world. The IMF dictates it here in Kenya and our good Attorney-General comes smiling and brings such a Bill and he hopes that we will pass it. Under threat, if we do not, there will be no money. Of course, the Opposition seized that opportunity. If I know that if this law is passed, this Government which I am opposing is likely to get money, of course, I oppose it. And they did it successfully.

**Dr. Ochuodho:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The reason I asked this question is that I want hon. Kajwang to join me. You heard Mr. Kajwang say that he had every reason to oppose that Motion. He says the Opposition opposed it. If he knew the Bill was flawed, why did he support it when it came to voting?

**Mr. Kajwang:** Mr. Temporary Deputy Speaker, Sir, hon. Ochuodho should wait for his turn to contribute. If he will be given 30 minutes to contribute, he might have nothing to say!

(Laughter)

Mr. Temporary Deputy Speaker, Sir, the IMF and the World Bank must leave this country alone to run its affairs because we can. They have not given us money for the last eight years and we have been surviving. We are still paying our civil servants, police and army officers. We have not gone bankrupt yet. This country can go on without the IMF and the World Bank's assistance. The only thing I would like to ask of the Minister for Finance and the Governor of Central Bank is that, if some of our friends in the Arab world who are now being threatened in USA--- Their money is now being seized in the pretext that it belongs to Osama bin Laden. If they were to withdraw their money from America and bring it to Kenya, please, accept it. Do not make noise that this is *bhang* or heroine money. This because we need that money whether it is from proceeds of *bhang* or heroine.

**Mr. Kamolleh:** On a point order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that we can accept money from any quarter even if it is dirty money? Will ours be a "Government of the Welfare of Society and Just Government of Men" or just a Government of terrorists? Could he clarify?

**Mr. Kajwang:** Mr. Temporary Deputy Speaker, Sir, when I say that money from the Arab world is kept in America, this is not a secret. Of course, the Americans drill their oil and keep their money for them. The biggest investor in the American economy is the Arab world. It is oil money; it is not drug money. Right now, that oil money is threatened in America. Every time they see something close to "Osama bin Laden", they seize the money. The Arabs are now saying they would rather keep their money near their brothers in Africa who are suffering. If that money comes here, do not shout like we saw when a businessman brought only Kshs2 billion, which is very little money. The first thing we heard was the Governor of the Central Bank of Kenya saying it was illegal. The Attorney-General said it was from the proceeds of *bhang*. However, when they were taken to court, they had no evidence and they ashamed everybody and the investor ran away with his money. We want money from everywhere. It is IMF and the World Bank who told us to liberalise our economy. We have liberalised. Let money flow in and out and we shall be a better place. If a man in Middle East is rich, if he brings some money to us, let us take it. Why can Kenya not learn from Middle East? I can assure this House that if we liberalised seriously and say like what Mandela told the American, "Libyans are our friends--- When we were fighting, you Americans were killing us. We need their help." There is a lot of money in Libya which could help this country. It is helping Sudan and that is why Sudan is selling sugar to us at a subsidized cost and our sugar industry is collapsing. We need that money. I do not want to hear somebody saying that Kenya is a Christian country and we do not want Arab money because Arabs are terrorists. Who told you that? Kenya is a secular country; it has no religion. We want to survive and we need that money.

Mr. Temporary Deputy Speaker, Sir, if you look into this Bill, you will see that it has enhanced certain sentences. A very lazy officer at Treasury sat down and multiplied the figures by three. If it is Kshs50, he multiplied it by three. If it is Kshs500,000 multiply by three, it becomes Kshs1.5 million. Why should they multiply everything by three? The reason is, a tax collector is supposed to collect as much tax as he can, and a taxpayer tries to avoid paying as much tax as he can avoid, but they are still friends since each one needs the other. If you destroy the taxpayer by taking him to jail for three years, you will not collect money next year because you will have nobody to collect it from. So, it is a mutual relationship; friendly, but at the same time not friendly.

For example, when I import a car, fill the forms and make a small mistake, then I am supposed to pay Kshs1.5 million in tax or I am jailed for three years---. Should people not import cars so that they do not pay duty at all? This is designed to benefit certain officers at the Customs Department. Because, if I find that the fine is very high and then you threaten me that I will be penalised Kshs1.5 million then I am likely to give you Kshs100,000. In the end the Government will collect nothing because most of it will go to the customs officers.

So, the person making laws on collection of taxes must know that he must keep the tax collector alive. You have to put money in the pockets of people so that they have something to pay you. The Bible refers to God as asking for only 10 per cent from your earnings. God blesses you so that you earn and give him the 10 per cent, because if he gives you nothing, you have no 10 per cent to give him. That is why He also keeps you alive so that you do not die. If you die, God is not likely to get anything. The tax man wants to kill the businessman by jailing him or levying taxes which he cannot afford, so that there is rampant corruption at the Customs Department.

Mr. Temporary Deputy Speaker, Sir, I would like to repeat something which Mr. Donde spoke about, with regard to opening our economy to everybody. Nowadays we buy eggs from hawkers in the streets imported from South Africa at Kshs5 and yet the ordinary price of an egg produced in Kenya is Kshs7. Of course, we are buying eggs from South Africa and killing our poultry farmers. We purchase a one-day old chick from South Africa and Zimbabwe and yet we have hatcheries in the Rift Valley and Ukambani. These farmers have nothing to do because the chicks from South Africa are better and cheaper. We buy sugar from Sudan at a cheaper price than we can produce. So, our sugar factories, like Sony, Miwani and Muhoroni have collapsed or are almost collapsing. The other day I was in Kampala, Uganda, and I wanted to buy oranges. I saw a very good orange and asked them where they had got it from. They told

me that the orange is imported from Israel. I asked them whether they had to import oranges from Israel to Uganda. Even the Uchumi Supermarkets, stock oranges from Israel. So, our poultry and orange farmers have no business.

Mr. Temporary Deputy Speaker, Sir, we are reducing ourselves to speculators and not producers. An economy where people speculate and do not produce behaves like this. For example, if I bought a piece of paper at Kshs2 and I can sell to somebody at Kshs2.50, who will in turn sell it at Kshs3.50, by evening it would have been resold by more than three people who think that they have made something. That is a speculative economy. It produces nothing. It lives on speculation. That is the kind of economy we are building here.

Mr. Temporary Deputy Speaker, Sir, if you talked to the so-called manufacturers in Industrial Area, they are closing down their businesses and running away because of the cost of electricity. And even that electricity, which is very expensive, sometimes is not there. They are also running away because of unreliability of water supply, and that water flows intermittently. They are also running away because our roads are so bad that they damage their vehicles and our Port is very inefficient and their goods and raw materials do not reach the factories in time, for them to meet their orders. Manufacturers are also running away from this country because the cost of money in this country is very high and subsequently nobody can invest and get any profit. They are running away because we have destroyed everything. How do we recover in such an environment?

With those few remarks, I oppose.

**Mr. Murathe:** Mr. Temporary Deputy Speaker, Sir, when the Minister was preparing his Budget, we examined the previous Budget and realised that the donor component was never met. We asked the Minister to give us different scenarios about what should happen if the donor aid does not come, because the donor conditionalities were not going to be met. The Minister promised this House that he would create two scenarios; one factoring the donor component and the other one not factoring the donor component. Today, it has become absolutely clear that we are not going to get any donor support to meet the Budget requirements and for development assistance.

Mr. Temporary Deputy Speaker, Sir, when the Minister responds, he should tell this House and the country how they are going to deal with the gap of Kshs26 billion which they have factored in the Budget and why, in the first place, they did so. Kenyans are outraged at the donors. We are seated here with no dignity at all. It is this Government which has put us in that situation. When we went to Japan, they told us very clearly that the World Bank and IMF have different ways of dealing with different countries. They gave us an example of Mongolia and China. When they are dealing with China which is a one-billion-people-economy, they do not interfere with governance issues. But when they are talking about Kenya, they stopped talking about the micro-economic management a long time ago. They instead talk about governance and impose conditions some of which have done more harm than good to this economy. We have reached a point where we are now supporting what the Minister for Finance told the donors the other day. Even if we are poor, we should maintain our own dignity. We have reached a point where we are now saying, enough is enough. We have been in the same situation for ten years since 1991.

**Mr. Ochiyo-Ayacko:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not like interrupting Mr. Murathe, but he is on record as having supported donors for not giving the Kenya Government money. Is he in order now to speak otherwise?

**Mr. Murathe:** Mr. Temporary Deputy Speaker, Sir, if we are supporting the idea that those irresponsible managers should not be given money by donors, it is one thing. But if we are saying that some of the conditionalities imposed on this country - not on this Government - are unacceptable, we are saying that it is possible for money to come here. We are also saying that it is possible for this Parliament to monitor how that money is spent.

Mr. Temporary Deputy Speaker, Sir, are we trying to suggest for a moment that Parliament is inadequate in ensuring the proper application of these resources? We are saying that there are conditions, and the Minister talked about 255 conditions. I am a witness of how these donors are now shifting the goal posts. Every time the Government has bent over twice, they have always created something, and I will give you an example of the European Union STABEX funds, where we are within a certain matrix and timeframe. The donors told us that certain reforms in the coffee sector had to be done, and we should publish a Sessional Paper on reforms in the coffee sector in order for them to release that. When that was done by this House, they tried again to change it. They wanted to tell us to go back and pass the Coffee Bill first before they release the STABEX funds. It was never there in the first instance. When they released the money, they claimed to have released Kshs1 billion and they then put a rider that "we will give you Kshs500 million but you audit the report and give us an impact assessment report before we release the other Kshs500 million." The Kshs500 million has absolutely no impact on the coffee sector. If they are going to release that money in January, next year, it will be useless to the coffee farmers. They might as well keep it. The impact assessment has already been done by the World Bank, yet the European Union is insisting on another one. They are just giving PricewaterHouseCoopers some job; their own brothers. We are getting to a point where we must now, as Kenyans, decide what is in the national interest of this country. They started with the Structural Adjustment Programme (SAPs) and the net effect was to have people fired. They talked about retrenchment and right-sizing.

What are we doing? We heard the sad story by Mr. Donde here. He was almost crying about the situation that we are seeing down here. Now, they have brought up another subject, the Poverty Reduction Strategy Paper (PRSP). They came here the other day with the Medium-Term Expenditure Framework (MTEF). They always come up with new jargons. Every time we move on to something else, they bring young boys of 28 years to lecture us about how we should manage our economy. This Government must now put its foot down and demand to be respected. If they want to do business with us, let us agree on the terms of engagement. But we cannot have a relationship which is lopsided. In Rome the other day, in the G-8 Conference, there were huge demonstrations by people in the streets against the IMF and World Bank. I am not just talking about Kenya. They must learn to respect this country and the people. We are disappointed that even fully knowing that some of the conditionalities which have been set by these people are not going to be met, the Minister still factors that money. Now, he knows for sure that the money is not coming. It is up to him to tell us how he hopes to bridge that gap.

On the Banking Act, because I want to take it over from where Mr. Donde left, he talked about firing growth. Growth is about investment. This is because it is investments that create employment. You create jobs by attracting investments and, therefore, you need to create an enabling environment for people to invest in this country. But the tax regime, which my friend, Mr. Kajwang has talked about, is--- There is absolutely no incentive for people wishing to invest in this country. The tax base is getting smaller and the revenue base is shrinking and we are taxing more, the few people in jobs and in business.

We know that this economy is capable of being the hub of East Africa. We know that we have an infrastructure in terms of communications, road and Information Technology. That can be used as a hub for this region to spur not only the growth of this country, but the region as a whole; the Sub-saharan region and particularly, Eastern and Central Africa. It is high time, and I want to support what Mr. Kajwang' said, that we should have started looking for alternative sources of funding. I know how these multilateral organisations work. Once they are not on the IMF and World Bank Programme, they even stop the bilateral countries from giving you money.

But out there, there is private capital and Mr. Donde talked about it the other day; the HEBC(?) and the others. There are people who are willing to invest money in this country because this country has one of the highest returns on investment. The risk is minimal. This Government must now be bold enough, but do not do it the Kamlesh Pattni style, where you were saying that you were getting money from Dubai, and no money was brought. Go out there to proper businessmen and take money. There are people who are financing projects in this country at even one and a half below interbank operating rates.

We know the cost of money at the JKIA was 4.5 per cent when the prevailing rate was 6. You know how it was tied and how the Belgian Government subsidizes those Belgian companies which are doing the job; NMT and the others. Yet, you will hear the Belgian Ambassador saying that they are stopping aid, yet they still want their companies to do business with our KAA. Let us devise ways of how we can attract investments. Also, let us as Kenyans--- I think that we can do it with Kshs200 billion. One of the biggest responsibilities of this House is to save the taxpayers' money and it has started to happen. When this Ministry stopped paying some of those phony bills, which were pending bills, amounting to between Kshs14 billion a year, or Kshs20 billion, it was because of the audit committees of this House, the PIC and PAC which are saying no to that. The Ministry is even doing a great job - by the way - on that score so that those unscrupulous people who want to rip off the taxpayers' money; Kshs200 billion is enough when well-managed or allocated to spur growth.

One other thing that we must agree now is that we must review how we relate with those institutions; we must provide homegrown solutions. Let us not be waiting for those 28-year old boys to come from Washington and keep everybody running around them. The long-term solution should be to adopt the Kenya Rural Development Strategy which is being worked out here locally in terms of food security, raw material development and industrialisation. That is the route to go. The PRSP will never work because the Wazungu are not dealing with the African situation as it is. Mr. Donde did put it rightly; that, many Africans have extended families and responsibilities and you are looking after ten or 30 people. Even mothers who are in maternity hospitals are brought to hon. Members so that their expenses can be defrayed. Let us agree to motivate our Civil Service and let us inculcate in our people, the attitude of being patriotic and being proud as Kenyans. Let us tell these people to go to hell. I am quite ready to say that if this is how we are going to go on, and I can see the Minister for Rural Development smiling--- For ten years, the donors have been giving varied conditions. What are we talking about? How much is this anyway, as a component of our total GDP and the revenues that we are raising internally? You have got to tell them to go to hell.

I beg to support.

**Mr. Kajembe:** Thank you, Mr. Temporary Speaker, Sir. I stand to support this Bill, but I strongly feel that there are some areas where we need to advise the Minister. We have been talking about AGOA, the business between Kenya or Africa with America. I do represent an industrial constituency. Already, we have about six investors who are doing the AGOA business in textiles. You will see when these investors come to our country, there is no commitment.

I am saying that there is no commitment because when they come here, they find a structure and they instal their machinery and manufacture these textiles for the US market. They employ our people to provide cheap labour. What is the Government getting out of this AGOA Treaty? I am saying this because all the investors who are benefitting from this trade pact come from Asia. It is an open secret that most of the money they make is taken back to their countries of origin. The only benefit we get is that our young boys and girls are employed as labourers with very low salaries. If there is any taxation which the Government imposes on these people, it must be very minimal.

Mr. Temporary Deputy Speaker, Sir, I would like to suggest that, for every investor who comes to Kenya under the AGOA Programme, a local partner should be identified. I am saying this because in the event of these investors losing their market share in the United States of America, they will have nowhere else to sell their textiles. They will be forced to close down their business and fly back to their own countries and Kenya will be the loser. Therefore, there is need to strengthen the AGOA Programme. I appreciate the fact that these foreign investors are creating jobs for young people in my constituency. But I still feel that the Government is not getting what is due to it from these people.

Mr. Temporary Deputy Speaker, Sir, when we talk about donor funding, especially from the International Monetary Fund (IMF) and the World Bank-- I was shocked last night to see Mr. Itam of the IMF talking nasty of our country, just because he is an IMF representative!

**Mr. Obwocha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Kajembe in order to mislead this House? What Mr. Itam said - and everybody saw and heard on television - is that this country agrees to its own resolutions which they take to the IMF, and that if there is a shortfall, it is this country and its Parliament that can correct it. What he should be saying is that, these donors should not dictate to us.

**Mr. Kajembe:** Mr. Temporary Deputy Speaker, Sir, that is exactly what I have said! The World Bank and the IMF are not honest in their demands with regard to Kenya. When America was allowed to use Pakistani airspace to bomb Afghanistan, they lifted all the sanctions they had imposed on Pakistan. But when Nairobi was bombed because of Americans, they brought money here for the compensation of life and property. They should also have given money to the Kenyan Government! We can see double standards being applied by Americans here! When Pakistan allows America to use its airspace, all the sanctions are lifted but we were not considered.

Mr. Temporary Deputy Speaker, Sir, time has come for us to run this Government with the revenue we collect. We do not have to announce our financial problems to the whole world. Even the donor countries we are talking about have their own financial problems but they do not tell any one. Theirs is to tell us that we have not complied with certain conditionalities. Kenya has been complying with these conditionalities for over eight years, and will continue to comply, but the World Bank and the IMF will not bring money to this country. What the World Bank and the IMF want in this country is a change of guard at State House, but not compliance with these conditionalities they are talking about.

Mr. Temporary Deputy Speaker, Sir, Mr. Itam should be expelled from this country! We have signed a lot of international treaties and somebody from the World Bank or the IMF cannot come to Kenya and dictate to us. We are doing our best! If there is anything which Mr. Itam is not happy about, there are channels which he can use to discuss such matters with the Minister for Finance. But he cannot go to a rotary meeting and belittle our Government! Mr. Itam is not a *mzungu*! He is a black man like us, but he has that *mzungu* hangover!

Mr. Temporary Deputy Speaker, Sir, we have so many hotels and game reserves at the Coast, but the revenue we collect is minimal. I think there is something wrong in this sector because overseas tour operators retain all the money in Europe. No money is sent to Kenya! The money paid to Kenya is very minimal. It is meant to enable the tourist to get food, accommodation in the hotels and a few other things. The Minister for Information and Tourism should do his homework to ensure that all the money paid by tourists, is paid in Kenya, and in foreign currency. We must employ people in that sector who have the ability and the credibility to market Kenyan tourism. Yesterday, we read that a cruise ship with 800 tourists was on its way to Kenya. But some of those operators waged a propaganda war against Kenya. They claimed that due to the war in Afghanistan, Kenya was not a safe place. So, that ship was diverted to the Seychelles. What is the Minister for Information and Tourism doing to suppress such propaganda? This is damaging to our economy! These are areas which should be addressed by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, when we talk about the collection of revenue, especially at the Port of Mombasa, the tariffs are very high compared to other ports in the continent of Africa! When we are reviewing the Constitution, we should also review port tariffs. Taxation in this country is very high! Kenya is one of the countries in Africa whose taxation levels are very high. If we do not address this issue, investors will not come to this country. Importers will not bring goods to this country because whatever is being imported to Kenya becomes very expensive because of taxation. So, the Government should consider reviewing the taxation element because it is very high. You will find that the countries that have successful ports in the world like Rotterdam, Amsterdam, London Docks, Antwerp and Houston, own ships and other vessels. In Kenya, we have a port



but we just wait for foreign vessels to bring or take cargo abroad. Why do we not do our best and buy a few ships? If you go to the port today, you will see that most of the berths are empty, and that shows there are no ships coming. We should have our own ships also. With what is happening in the Indian Ocean now, most ship owners feel it is risky for their ships to go through Gibraltar because they are told that the ocean is not safe. If we could have our own ships, we could fight a battle to go abroad to bring cargo and to take cargo from here to other countries. That way, the Port of Mombasa would be very operational and effective both on operations and ship workers. So, it is just a matter of organising and having efficient people.

Mr. Temporary Deputy Speaker, Sir, for instance, the Port of Singapore is not privatised. It is a very developed port. They gave the running of the port to a management team. They did not privatise and the port is still owned by that country. But they have appointed a management team to run the port. In Kenya, we are saying that we want to privatise the port. We are being dictated by the World Bank and the International Monetary Fund (IMF) to privatise the port. What it means is that when they privatise, they will bring modern equipment and technology and 50 per cent of the port workers will lose their jobs. Where do we go? Already, there is acute unemployment in this country. If the process of privatisation will take place in every organisation, one day, we will land in a very awkward situation. Young men and women will be unemployed. Where shall we take them? They will say that the Government is bad! When we attained our Independence, we promised Kenyans that we will do away with poverty. Today, 37 years after Independence, have we done it? Poverty has increased to alarming proportions. We must do things for our people.

Mr. Temporary Deputy Speaker, Sir, when we talk about power generation, I ask myself all the time: "Let us see how Uganda generates its electricity power from Lake Victoria." Water which flows to Egypt originates from Lake Victoria. I have been asking myself: "Why do we not generate power from Lake Victoria?" Every time we ask that question, we are told that there is an agreement between Kenya and Egypt; that the water on the Kenya side of the lake should not be touched! If you touch that water for power generation, you are asking for war between Kenya and Egypt. That agreement was made in 1952 by colonialists! Are we still honouring that agreement? Why can we not sit with Egypt and tell them that we need that water because it is ours, and we want to use it for power generation? We have started many dams in Kenya which dry most of the time. Some of the drying dams have become "white elephants" and do not serve any purpose and yet, we have water from Lake Victoria! I am saying that because that is one way of generating revenue. I am saying it is one way because, if you look at the power tariffs charged by the Kenya Power and Lighting Company (KPLC) today, even the low-income citizens cannot afford to pay. They are very high. The Government should do something to ensure that things are done in a proper manner.

Mr. Temporary Deputy Speaker, Sir, we have not done much with regard to Government revenue earnings. We have not done much when we talk of our road network. What have we done? Almost all the roads that have been repaired in Kenya were funded through the *El Nino* Roads Emergency Programme. We were given the money by foreign countries. I think the Government should do something about Income Tax. There is the tax relief but to me, I would say that the relief being given on Income Tax is very low. The tax relief should be given to a person who is earning less than Kshs50,000. Otherwise, whatever relief the workers are getting is not assisting them in any way.

Mr. Temporary Deputy Speaker, Sir, finally, I would like to praise the Minister for Finance. I do not feel ashamed to say that he has done a good job. I am not only talking about Mr. Okemo, but whoever was the Minister since the World Bank and the IMF denied us money. The country has been going on well and the Government has been running. There are shortcomings, but the Government has been able to run. If there is a way, let us follow the example of India which told the World Bank "*Kwa Heri*". They do not deal with the World Bank and they have been able to industrialise their country. They are doing very well now. Why can Kenya not say "*Kwa Heri*" to the World Bank and IMF and yet we have been managing without their assistance for the last eight years? We should tell them "*Kwa Heri*".

With those few remarks, I beg to support.

**Mr. Obwocha:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make brief comments on the Finance Bill.

I want to start by saying that the only thing I agree with the previous speaker is that taxation in this country is very high. I would say that the problem about taxation in this country is not the imposition, but the collection which is inefficient. I want to give an example of what the Kenya Revenue Authority (KRA) has embarked on in collecting their tax. In their small rules, they have said that every shopkeeper should keep a pin card to an extent of those shops that sell the click pin. If you are selling 200, 300 or even 100 items in that shop, how will you bother about how many pins you have sold to Dr. Masakhalia, Mr. Kiangoi or the Chair? What is the tax revenue implication?

Mr. Temporary Deputy Speaker Sir, in tax administration, we say that if the cost of administering the tax is more than the revenue collected, then that tax is not worth imposing on the people. Therefore, the KRA should consider what kind of taxes they are imposing on these traders. We want revenue that exceeds the cost of administering

that tax.

The problem is that corruption is the one that has killed this country. Consider the amount of money we are losing from the tax departments, that is, the Income Tax Department, the Value Added Tax Department and the Customs Department, because of corruption? I was one of those people who recently attended a conference in the Prague, Czech Republic where there was a huge Kenyan delegation representing the Kenya Government, the Members of Parliament and the civil society. In that conference, the president of the Jubilee 2000 International, which is an organisation dealing with debt relief, specifically mentioned Kenya and Zimbabwe as the countries which they cannot go ahead in asking the donor countries to waive the debts they have given them. The reason they gave is that even if they did, that money would not benefit the citizens of those two countries.

Mr. Temporary Deputy Speaker, Sir, it was even unfortunate that the Heads of those countries were named in that conference. They said that the two African leaders who are a problem and are not dealing with these issues are the Zimbabwean President, Robert Mugabe and President Moi. It was sad because our Attorney-General was there. He complained about that matter, but the president of that organisation told him: "You are actually part of the problem". Botswana started dealing with this issue of corruption in 1967 and they did that by putting in place institutions to deal with corruption. They put in place an independent authority to deal with corruption and started vetting appointments of people who were appointed to public positions. We do not do that here. In fact, as I speak right now, Botswana's currency to the US dollar is in the ratio of 1 to 2, while that of Kenya is 1 to 80. What is this country talking about? Are we serious about tackling corruption? Do we want institutions to deal with corruption?

Mr. Temporary Deputy Speaker, Sir, this Parliament must rise up. We must start by addressing the issue of corruption. How do we do this? Can we not put in place even the simplest institution? Why are we not implementing our resolutions? Every year, this House comes up with recommendations by the PIC and the PAC and yet we do not do anything about them. I have even seen here PAC Reports for previous years, but I do not know where this year's Report is. I do not even know whether any Member of the PAC is here. They need to tell us where the Report is. I was the Chairman of the PAC in 1998/99 and I produced a report here which has not been addressed by the Government. I am shocked that from then up to now, we have not seen any PAC report. Is this fair to this House? It is a challenge to those Members who are in the PAC to submit the report because this House, as a watchdog of public funds, must tell this country every year whether the money allocated to the Government has been properly utilised or not.

I just want to say one other thing before I come specifically to some issues that are raised in the Finance Bill and that is on our debt position in this country. Last year, according to the statistics from the Central Bank of Kenya, our total debt, both domestic and foreign was Kshs540 billion. This year, according to the recently published report in September, the debt is Kshs640 billion. Within one year, we have spent Kshs100 billion and yet we collect Kshs200 billion every year for running this country. The Minister for Finance must give an explanation to this House on how this debt has jumped up by Kshs100 billion, all of a sudden in one year. Botswana is doing well because, from 1967, they said "goodbye" to any donor funding. You can hear all these people say that the donors are dictating to us. The IMF and the World Bank are saying: "These are the conditions we are giving before giving you our loans. Do you agree"? Then this Government goes ahead and says: "Yes, we agree." Later, they say: "Oh! You have shifted the goal post". Who told you to agree to their terms, in the first place? Why are you agreeing? You should say: "No. Ladies and gentlemen, we cannot accept these conditions because they will impoverish our people further."

Mr. Temporary Deputy Speaker, Sir, we should stop foreign funding if we are to move and use our current resources. Let us get a Minister for Finance who does not manage this country with deficit budgeting. Deficit budgeting is dangerous because we are budgeting for money we do not have.

With those few remarks, I support and I will proceed tomorrow.

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Muturi): Mr. Obwocha, you will have 20 more minutes. Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 1st November, at 2.30 p.m.

The House rose at 6.34 p.m.