

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 23rd June, 1998

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

PRAYERS

## PAPER LAID

The following Paper was laid on the Table:-

Statement on Vote on Account for the Financial Year 1998/99

*(By the Assistant Minister for Finance (Mr. Arap-Kirui)  
on behalf of the Minister for Finance)*

## NOTICE OF MOTION

VOTE ON ACCOUNT

**The Assistant Minister for Finance** (Mr. Arap-Kirui): Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, in accordance with Section 101 of the Constitution of Kenya, the withdrawal from the Consolidated Fund of the sum of K£2,836,271,795, made up in the manner set out in the Vote on Account laid before the House, be authorised for the purpose of meeting expenditure necessary to carry on the services of the Government of Kenya during the year ending 30th June, 1999 until such time as the Appropriation Act for the year comes into operation.

*(His Excellency the President has signified  
his consent to this Motion.)*

## ORAL ANSWERS TO QUESTIONS

*Question No.014*

DISPOSAL OF ADC FARMS

**Mr. Speaker:** Dr. Kituyi has informed me that he will not be able to ask his Question today and, therefore, the Question will be deferred.

*(Question deferred)*

Next Question, Mr. Orengo!

**Mr. Oloo-Arango:** Mr. Speaker, Sir, I wish to ask Question No. 199 on behalf of hon. Orengo. However, before I do so, with your indulgence, I would like to correct a spelling error in part (a). Instead of "Simonya", it should be "Simenya."

**Mr. Speaker:** Mr. Oloo-Arango, I would like to get a clarification from you. Hon. Donde came to my office also and informed me that he was instructed to ask this Question. I do not know whether the instructions were given to both of you.

**Mr. Oloo-Arango:** I am sorry, Mr. Speaker, Sir, but Mr. Orengo gave me similar instructions. So, I withdraw and ask my hon. colleague from Gem to ask the Question.

*Question No. 199*

## WITHDRAWAL OF POLICE FROM UGENYA

**Mr. Donde**, on behalf of **Mr. Orenge**, asked the Minister of State, Office of the President:-

(a) whether he was aware that police officers posted at various markets like Simenya, Bar Ober and Kanyumba in Ugenya Constituency have been withdrawn causing an increase of shop breaking, robberies and other crimes; and,

(b) whether the officers could be posted back to those centres.

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

(a) I am aware that we have withdrawn police officers in Simenya, Bar Ober and Kanyumba. This was done because at that time, the rate of crime had reduced and we also had problem with the premises where the policemen were to be stationed. There was no secure place for the policemen's fire arms and ammunition. However, in the last six months, statistics show that the rate of crime has increased and, therefore, we are looking at the possibility of re-instituting these patrol bases once we have enough personnel and secure premises for them.

**Mr. Donde:** Mr. Speaker, Sir, on 3rd June, 1998, hon. Orenge and I visited Siaya Police Division offices to discuss the issue of the withdrawal of police officers from the said markets. After a lengthy discussion with the Officer Commanding Police Division (OCPD), he informed us that the police officers were withdrawn because they feared that they would be attacked in the same manner as their colleagues in Likoni because they were few and that, they could only post policemen in groups of 10. I would like to know the correct position because according to the OCPD, Siaya, accommodation facilities have been provided by the people in that area are available. Could the Minister clarify the position?

**Maj. Madoka:** Mr. Speaker, Sir, the premises provided by the local people do not meet our safety requirements and we are looking at those particular premises. At the same time, it is true that we are a bit reluctant to have just four policemen in that particular area. So, once we do open those patrol bases, we will certainly increase the number.

**Mr. Maore:** Mr. Speaker, Sir, given the gravity of the issue, policemen actually fear for their own safety. Is the Minister overlooking the provisions of his own budget for security and is he now asking for funds on Harambee basis which may not be forthcoming in order to acquire the premises? What happened to your budget for security?

**Maj. Madoka:** Mr. Speaker, Sir, first I must state that patrol bases are normally operated on temporary basis. So, even when we had first set it up, it was basically on temporary basis because at that time the security situation had deteriorated at that particular place. We are definitely looking at the possibility of re-instating that police base.

**Mr. Ndwiga:** Thank you, Mr. Speaker, Sir. Is it not true that the cause of not having policemen in this station is that the Government can ill afford to maintain the police force as it is now? Indeed, even in an established police station the policemen do not have vehicles, and in some stations they do not have telephones. The policemen are walking in torn boots all over the country. That is exactly the truth.

**Maj. Madoka:** Mr. Speaker, Sir, that is not quite the truth. It is true that we do have a transport problem, but that is also being looked into.

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. What goes on in this bar called Ober? Is it like these Buru Buru bars which have given us a lot of problems?

**Hon. Members:** It is not a bar!

*Question No. 153*

## EMPLOYMENT OF PRIVATE TTC GRADUATES

**Mr. Speaker:** Mr. Anyona is not in? Next Question.

*Question No. 310*

## UNDERSTAFFING OF SCHOOLS IN MWALA

**Mr. Katuku** asked the Minister for Education and Human Resource Development:-

(a) if he was aware that most of the schools in Mwala Constituency are understaffed due to mass transfers of teachers to schools in the neighbouring constituencies where teachers receive hardship allowance;

(b) if the answer to "a" above is in the affirmative, what action he had taken to arrest the situation; and,

(c) what criteria was used to leave Mwala constituency out in declaring the neighbouring constituencies hardship zones.

**The Assistant Minister for Education and Human Resource Development** (Mr. Awori): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware. However, there is understaffing in a few primary schools in all the divisions of Machakos District. Out of 28 secondary schools in Mwala constituency, only Kilembwa and Wakaela schools are not adequately staffed.

(b) My Ministry has given instructions to the Teachers Service Commission to ensure that teachers are re-distributed from districts that are overstaffed to those that are understaffed, to balance staffing.

(c) The Government identifies hardship areas mainly based on poor infrastructure and the prevalence of drought and persistent famine.

**Mr. Katuku:** Mr. Speaker, Sir, as much as I would like to appreciate the answer given by the Assistant Minister, I want to say that he is misleading this House because as he is talking now, most of the schools in the area are very understaffed. He has only talked of two schools. As per the latest staffing report, for example, Mbiuni is understaffed by 16 teachers and Kibauni zone is understaffed by 18 teachers. In total the two divisions are understaffed by 34 teachers. Is the Assistant Minister in order to mislead the House?

**Mr. Awori:** Mr. Speaker, Sir, I have not misled the House. The figures that I have are completely different from those that the hon. Member has. But just to emphasise the point, I stated that we have given instructions to the TSC to re-distribute these teachers and I can assure the hon. Member that in time, he will have all his schools well staffed.

**Mr. Ita:** Thank you, Mr. Speaker, Sir. I heard the Assistant Minister telling us repeatedly that he has issued instructions TSC to re-distribute the teachers. For instance, in my constituency, there are about 153 teachers who are required, but have not been posted. Does the Assistant Minister really follow up to find out whether these instructions are carried or is it just a question of telling us that he has issued instructions?

**Mr. Awori:** Mr. Speaker, Sir, our officers do, indeed, follow up and sometimes it takes some time before the people in the field fulfil their obligations.

**Mr. Ndicho:** Mr. Speaker, Sir, there is the prevalent occurrence of understaffing of teachers all over the country. In his Budget proposals, the Minister of Finance said that he wants to retrench 66,000 teachers. The Assistant Minister is telling us that they are looking into the issue of ensuring that all the schools are staffed adequately.

Can the Assistant Minister react to the Finance Minister's assertion of retrenching 66,000 teachers vis a viz his own Ministry? What does the Assistant Minister for Education and Human Resource Development say about hon. Nyachae's proposal to retrench the teachers? He should react now!

**Mr. Awori:** Mr. Speaker, Sir, I will not react. I will simply answer that the question of understaffing and overstaffing is prevalent all over the country. Sometimes, the clusters of subjects cause understaffing. The only thing we can do is to constantly do what hon. Ita has said, that is, to follow up and ensure that where there is overstaffing we reduce and where there is understaffing, we provide more teachers.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. The Minister for Finance has very clearly stated that he is going to retrench 66,000 teachers. The Assistant Minister is saying that there is a problem of overstaffing and understaffing in other areas. If generally, the 66,000 teachers will be retrenched in this country, what will happen to all the areas that are already suffering from understaffing? This is why I want him to react. Can he ensure that the 66,000 teachers will not be retrenched at all?

**Mr. Awori:** Mr. Speaker, Sir, I have no powers to do that.

**Mr. Kaindi:** Thank you, Mr. Speaker, Sir. In view of the answer given by the hon. Assistant Minister to part "c" of the Question about the criteria used in classifying an area as a hardship area, when will Mwala be classified as a hardship area, since it neighbours Kitui District and the conditions prevalent there are the same? It also suffers from drought, persistent famine and poor infrastructure?

**Mr. Awori:** Mr. Speaker, Sir, when the field officers - who will include not only the District Education

Officers, but also the DC's and the DO's - do tell us that the conditions prevalent in Mwala are such that it should be declared a hardship area we will do so.

**Mr. Katuku:** Mr. Speaker, Sir, the issue here is that Mwala Division was just left out from the other divisions. We have Yatta on the west and Makueni on the other side. Mwala is in the middle of an area which has been declared a hardship zone. It is the only division which has been left out. The teachers are moving out of Mwala and crossing over to Yatta Division, Makueni District, Machakos and all these other areas that are difficult to staff while Mwala is one of the hardship zones. There is drought in Mwala and poor infrastructure. I come from there, and I know that the area is so "malnourished" if I can say so, in terms of the conditions prevailing there. Can he assure this House that this area will be considered to ensure that there are no further transfers of teachers? As per my records, over 100 teachers have been transferred during the last one month and 200 others have already applied for transfers to move out of this zone. Can he assure this House that this will be corrected?

**Mr. Awori:** Mr. Speaker, Sir, I can assure this House that we are going to assess the situation and, should it meet the criteria of being declared a hardship area, it will most certainly be gazetted.

**Mr. Ndwiga:** Mr. Speaker, Sir, I think the Assistant Minister, does not either understand the geographical situation of Mwala Constituency, or he is deliberately misleading this House. Most of the teachers in Mwala and Ukambani come from Embu. I happen to know that, most of the teachers have applied for transfers from that hardship area. They cannot live in the area, for they cannot cope with the conditions there, as area has not been considered as a hardship area. Is he in order, therefore---

**Mr. Speaker:** Order! Order! Mr. Ndwiga, there is really no point of you standing up there on a point of order which is not a point of order, and argue forcefully and then I just close my eyes and say, "you are in order". You are out of order!

Prof. Anyany-Nyong'o's Question.

*Question No.238*

ACQUISITION OF NEW CRANES BY KPA

**Prof. Anyang'-Nyong'o** asked the Minister for Transport and Communications:-

(a) what the Ministry was doing to ensure that Kenya Ports Authority (KPA) acquires efficient cranes;

(b) whether it was true that Kenya Ports Authority is planning to purchase post-panamax cranes worth \$20 million; and,

(c) what rationale there was in buying new cranes when old ones can be refurbished with even better economic results.

**Mr. Speaker:** Is there anybody from the Ministry of Transport and Communications?

**An hon. Member:** Nobody is here!

**Prof. Anyang'-Nyong'o:** On a point of order, Mr. Speaker, Sir. This Question was deferred last week and the Assistant Minister said that he would answer it this week. I reminded the Assistant Minister that the people he sent to Mombasa had taken two weeks to get there and they will not be here today. Today, the Assistant Minister himself is not here. Could we know what is happening?

**An hon. Member:** He is at Safari Park Hotel; I left him there.

**Mr. Speaker:** I will come back to it. Mr. Maitha, I am informed that the Attorney-General is not available; shall I defer your Question, or has he come?

**Mr. Maitha:** Do you want to defer it, or we wait first?

**Mr. Speaker:** Let me call it out, if he is there.

**Mr. Maitha:** Okay.

**Mr. Speaker:** Mr. Maitha's Question.

**Mr. Maitha:** Mr. Speaker, Sir, before I ask my Question, I wish to make some correction. The name should be Mr. Mwalimu Mohammed Mugwisho and not Mwaumu Mohammed Magwisho.

*Question No.062*

DELAYED PAYMENT TO MR. MUGWISHO

**Mr. Maitha** asked the Attorney-General:-

(a) why Mr. Mwalimu Mohammed Mugwiso had not been paid the Kshs60,000 (sixty thousand shillings) - AC/No.3104457, which he had deposited with the Pioneer Building Society and which has since been placed under receivership; and,

(b) when he would be paid.

**Mr. Speaker:** Very well, I do not think anybody has the Attorney-General's brief, and so I will defer the Question.

*(Question deferred)*

Prof. Anyang'-Nyong'o's Question for the second time.

*Question No.238*

#### ACQUISITION OF NEW CRANES BY KPA

**Prof. Anyang'-Nyong'o** asked the Minister for Transport and Communications:-

(a) what the Ministry was doing to ensure that Kenya Ports Authority (KPA) acquires efficient cranes;

(b) whether it was true that Kenya Ports Authority is planning to purchase four post-panamax cranes worth \$20 million; and,

(c) what rationale was there in buying new cranes when old ones can be refurbished with even better economic results.

**The Assistant Minister for Transport and Communications** (Mr. Obure): Mr. Speaker, Sir, I beg to apologize for my inability to be present when the Question was first asked, but I beg to reply.

(a) The Government is very keen to see that the Kenya Ports Authority operations are managed efficiently and cost-effectively. Consequently, the Government has decided to privatise most of the operations at the Port.

(b) It is true that KPA is planning to purchase post-panamax cranes. The Authority is currently carrying out the technical and financial evaluation of the tender documents. The amount to be spent on the purchase of the cranes will be determined after the evaluation. The purchase of the cranes is, however, subject to the terms and conditions of the privatization of the container terminal that was recently announced by the Government.

(c) Mr. Speaker, Sir, refurbishing the cranes is another possibility which could be considered in order to enhance performance in the short-term period. However, there is need to replace some of the supporting yard equipment, like tractors, fork lifts and rig starters.

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. Many hon. Members around here are wondering what is post-panamax cranes and they have asked me what they are. I do not know what they are either. Could the Assistant Minister tell us what are post-panamax cranes, to give us technical know-how to enable us to ask supplementary questions?

**Mr. Speaker:** May I tell you this: I am sure Prof. Anyang'-Nyong'o knows what it is, and I am sure the Assistant Minister does, but when Prof. Anyang'-Nyong'o stands up to speak, maybe, he or the Assistant Minister will tell you what it is.

**Prof. Anyang'-Nyong'o:** Mr. Speaker, Sir, I apologize, I did not receive a written answer from the Assistant Minister. So, I do not know whether he was referring to his notes or from a written reply when he responded to the Question. This is a very important Question to this country, because an expenditure of US\$26 million by the Kenya Government is at stake, if they buy four new post-panamax cranes. Ships are measured in terms of the width of the Panama Canal. A ship that can pass comfortably through the Panama Canal, is a panamax ship. A ship that is bigger than the Panama Canal becomes a post-panamax vessel. But we also have supper-panamax cranes which are much bigger than post-panamax.

Mr. Speaker, Sir, if the Government is going to invest in post-panamax cranes, it means that we are looking ahead several years; it also means that we have to dredge our harbours to ensure that post-panamax ships dock there. We could even look ahead and buy supper-panamax cranes, in which case, we would have economies of scale in the next 20 or 30 years, if we do that. These decisions have not been made very wisely by our Government. At the Port of Mombasa and KPA---

**Mr. Speaker:** Prof. Anyang'-Nyong'o, can you ask your question now?

**Prof. Anyang'-Nyong'o:** Yes, I am coming to ask the question, but I was explaining to my dear friend, hon. Ndicho---

*(Laughter)*

**An hon. Member:** As directed by the Chair!

**Prof. Anyang'-Nyong'o:** As directed by the Chair. So, now, Mr. Speaker, Sir, can you give one direction at a time?

**Mr. Speaker:** Well, my direction is that you ask the question.

**Prof. Anyang'-Nyong'o:** Mr. Speaker, Sir, could it not be fair for the Government to explain to this House why it is not prepared to spend about US\$10 million to refurbish the cranes that are now being used in Mombasa, so that they can then serve this country for another 11 years, and spend another US\$11 million to refurbish and repair the key cranes; the ones which are on the harbour and which push the containers? Now, those cranes are called rubber-tyred gantry cranes and the rail-mounted gantry cranes.

*(Prof. Anyang'-Nyong'o gestured)*

**Kapten:** On a point of order, Mr. Speaker, Sir. How will this go into the HANSARD?

*(Mr. Kapten gestured)*

*(Laughter)*

**Mr. Speaker:** It will go in like that!

**Prof. Anyang'-Nyong'o:** Mr. Speaker, Sir, could the Assistant Minister explain to this House why the Government is not prepared to spend US\$10 million to repair the cranes and spend another US\$11 million to repair and refurbish the rubber-tyred gantry cranes and the rail-mounted gantry cranes, so as to make the system complete, just by refurbishing rather than spending US\$6 million just on the cranes themselves?

**Mr. Obure:** Mr. Speaker, Sir, I wanted to request that, there is no need at this stage for hon. Prof. Anyang'-Nyong'o, who is a very respected Member of this House, or anybody else in this country to get worried. No commitment has been made at all, for the purchase of the equipment. As I had indicated in my answer, KPA was only planning to purchase the post-panamax cranes, but a lot of that planning has now been superseded, because the Government has come in with the programme of privatizing KPA operations, in which case, there might not be any need to spend all that money to buy the cranes.

**Mr. N. Nyagah:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to say that they are evaluating the tender documents and at the same time say that the Kenya Ports Authority has no intention of putting up a tender? Which is which?

**Mr. Obure:** Mr. Speaker, Sir, I said that KPA was planning to take that action, but the Government has come in with the decision to privatise the operations of KPA.

**Mr. Maitha:** Mr. Speaker, Sir, is the Assistant Minister aware that KPA had even tendered for these cranes, and evaluation had already been done? Some Ministers are interested parties to the privatisation of KPA and are shareholders in the company which is supposed to take over the operations of KPA. That is why the Government does not allow KPA to buy those cranes.

**Mr. Obure:** Mr. Speaker, Sir, I am not aware of the claim made by the hon. Member for Kisauni. All I know is that the intention---

*(Loud consultations)*

**Mr. Speaker:** Order! Order, hon. Members!

**Mr. Obure:** I am dealing with a point of order raised by the hon. Member for Kisauni. I am saying that I am not aware that there are Government Ministers who are interested in these cranes. All I know is that the intention of the privatisation exercise is to improve efficiency at the Port.

**Mr. Ojode:** Mr. Speaker, Sir, now that the Assistant Minister is not aware that some Ministers are interested in these cranes, could hon. Maitha inform the House who those Ministers are?

**Mr. Speaker:** Order! Order! If the hon. Maitha says "X", "Y" and "Z" want to do business, must he substantiate that?

**Mr. Ojode:** Mr. Speaker, Sir, I asked a very valid question here. Hon. Maitha should not be left to go

without substantiating his claims because the Kenyan economy is in the Intensive Care Unit (ICU). Why can he not tell us who the Ministers are?

**Mr. Speaker:** To the best of my hearing, I think the allegation Mr. Maitha made was that in due course of privatisation, some Government Ministers may be fronting for some companies. I have not heard anybody from the Government side complaining. Mr. Maitha has not named anybody, and so, I think they are happy the way it is.

**Mr. Muriuki:** Thank you very much, Mr. Speaker, Sir. We have a problem in transporting the already off-loaded containers from Mombasa to Nairobi. There is a problem of getting those containers to their destinies, to the extent that, sometimes the ship would go to Europe or to wherever it is operating from, come back to off-load more containers only to find the earlier ones still at the port. Could the Assistant Minister tell us what is being done to alleviate this problem?

**Mr. Obure:** If I understood the hon. Member correctly, I think he is talking about congestion at Port of Mombasa.

**Mr. Muriuki:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to evade answering the question? If we off-load cranes from the ship and put them somewhere, you call that congestion? I am asking why the Government should spend Kshs1.2 billion to buy new cranes while we are not able to transport them from Mombasa to where they are intended to be taken?

**Mr. Speaker:** Hon. Member, you are actually saying nothing. You have asked the Assistant Minister a question and before he opens his mouth to answer it, you are on a point of order saying that he is evading answering your question?. How do you evade answering a question when you have not even talked? Can you allow him to talk so that we can know whether he is evading the question or not? Be patient!

**Mr. Katuku:** On a point of order, Mr. Speaker, Sir. Is it in order for the Chair to say that the hon. Member said nothing? Is it possible for an hon. Member to say nothing?

**Mr. Speaker:** Order! Order! As a matter of fact, you are also saying nothing! Proceed.

*(Laughter)*

**Mr. Obure:** Thank you, Mr. Speaker, Sir. I was answering the question on the congestion at the port. That problem is being tackled and I am happy to say that as I stand here there is no ship, not even one, waiting at the berth. All of them have been cleared. We agree that there is congestion at the port, but as I had said in my earlier report, we are in the process of dealing with this problem by buying supportive equipment like forklifts and tractors. We believe that the supportive equipment has been responsible for the congestion at the yard. Once all the equipment is in place, the bulk of the problem will be solved.

**Mr. Speaker:** Mr. Muriuki, are you happy now?

**Mr. Muriuki:** Mr. Speaker, Sir, I am not happy. I think the problem is with the railway transport, from the port to the up-country container depots. Can the Assistant Minister clarify that please?

**Mr. Obure:** Mr. Speaker, Sir, that sounds like a different Question, but my Ministry is still responsible for the operations of the Kenya Railways Corporation. I want to say that we have had problems in the past, but they are being tackled. The Kenya Railways Corporation is under strict instructions to move with speed to ensure that this congestion is removed and, of course, we are asking all the other partners, road transport and all the rest, to assist.

**Mr. Odoyo:** Mr. Speaker, Sir, the Railway ICD in Kisumu is unused, yet it is an investment worth Kshs1 billion. We have containers coming from Mombasa lying in Nakuru waiting for over one month. Therefore, nobody uses ICD in Kisumu due to the inefficiency of the Ministry of Transport and Communications. What is the Assistant Minister doing to ensure that ICD Kisumu is being utilised?

**Mr. Obure:** Mr. Speaker, Sir, we were dealing with the Port of Mombasa, but the hon. Member is talking about the Port of Kisumu. At the moment, there is no sufficient time to deal with his question. If he needs a Ministerial Statement, I will give it at a later date.

**Prof. Anyang'-Nyong'o:** Mr. Speaker, Sir, I appreciate the Assistant Minister's readiness to give a Ministerial Statement on the whole problem of the ports and the ICDs. This House would appreciate it, because this is a major concern for this nation. But, could the Minister explain to the House, why he thinks that privatization of the Port of Mombasa will solve the problem, and what type of privatization is he talking about? Is it a management contract or selling assets of this nation to individuals? It would be a great security risk to sell the Port of Mombasa to anybody, be it a Kenyan or a foreigner.

**Mr. Obure:** Mr. Speaker, Sir, first, I would like to clarify that the Ministerial Statement I have promised

to give to this House, relates to the question raised by hon. Odoyo, not KPA. The intention of the privatization exercise is to bring competitiveness and improve the operations at the Port. As I said, this was a very recent decision made by the Government. The aspect of privatization relates to the container terminal. We are not handing over the entire KPA to private investors. This is an issue which many people have an interest in, and nothing will be---

**Mr. Maitha:** On a point of order, Mr. Speaker, Sir. Could the Assistant Minister clarify the difference between the container terminal and KPA?

**Mr. Speaker:** That is a question and not a point of order!

**Mr. Maitha:** But it is something!

**Mr. Speaker:** Order! I suppose hon. Members have a lot of interest in the Question. I have been patient enough, because I think, this is a very interesting Question. But, this does not preclude other Members from putting specific Questions on how you intend to privatise the Port of Mombasa. I am sure many Members will undertake to do that, and the Chair will facilitate. So, can we now proceed to Questions by Private Notice!

### QUESTIONS BY PRIVATE NOTICE

#### DESTRUCTION CAUSED BY *EL NINO*

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

(a) Is the Minister aware of the massive destruction of the infrastructure caused by recent *El Nino* rains in Turkana District?

(b) Is he further aware that the *El Nino* rains killed many people and displaced others, washed away livestock and destroyed farms?

(c) If the answers to "a" and "b" above are in the affirmative, what action has the Minister taken to rehabilitate the infrastructure, assist the displaced people with food and in restocking of livestock from the *El Nino* Disaster Fund?

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

(a) I am aware that the recent *El Nino* related rains caused massive destruction on the infrastructure in Turkana District and also other areas of the country.

(b) I am also aware that the *El Nino* related rains resulted into swollen seasonal rivers and lakes whereby several people drowned and others were displaced. Several livestock were also swept away and farms destroyed.

(c) The Government has established a Special Emergency Fund under Legal Notice No.63, of May 22nd, 1998. The purpose of the Fund is to provide funds for the restoration of vital socio-economic infrastructure in order to counteract the effects of *El Nino* on the adversely affected sections of Kenya's population in some parts of the country including Turkana District.

**Mr. Achuka:** Mr. Speaker, Sir, I am not satisfied with the answer given by the Minister. This is because, the effects of *El Nino* phenomenon in Turkana District are very serious and need urgent intervention. Even before the *El Nino* related rains, the Turkana were poor people who were supposed to be rehabilitated. As a result of the *El Nino*, most of the---

**Mr. Speaker:** Order! That is very good, Mr. Achuka, but what is your question?

**Mr. Achuka:** Mr. Speaker, Sir, could the Minister explain to this House when he is going to rehabilitate the displaced families and school going children who have been expelled from schools because of the effects of the *El Nino* phenomenon?

**Mr. Ndambuki:** Mr. Speaker, Sir, I am aware that in Turkana District about 945 kilometres of earth road and 277 kilometres of tarmac road were swept away. But, as I said the Fund is going to take care of some of these issues the hon. Member is raising. We expect to set the Fund rolling from mid next month.

**Mr. Leshore:** On a point of order, Mr. Speaker, Sir. The Minister is not serious in answering the Question. Hon. Achuka has told the House that most Turkana children have been expelled from schools. How is the Minister going to ensure that those children return to school?

**Mr. Speaker:** That is not a point of order, but a question!

**Mr. Kapten:** Mr. Speaker, Sir, could the Minister tell this House how much money has been earmarked for Turkana District, out of this Fund? Could he also tell this House the items earmarked for rehabilitation in Turkana District, for example, roads, schools, *et cetera*?

**Mr. Ndambuki:** Mr. Speaker, Sir, letters were sent from the management of the Fund to all district



commissioners asking them to discuss with various disaster management committees and prioritise items for rehabilitation, so that they could be evaluated. At the moment, I am not able to detail the amount of money allocated to each district, until the exercise is finished.

**Mr. Shidie:** Mr. Speaker, Sir, the Minister appears not serious in answering questions. He has told us that the Government has established a Special Emergency Fund. It is now almost six months since the *El Nino* related rains subsided. By now that Special Emergency Fund should be effective on the ground. The Turkana people have been dismembered by the drought and further devastated by the *El Nino* related rains. This is a very crucial and urgent matter. Could the Minister tell us what is happening on the ground?

**Mr. Ndambuki:** Mr. Speaker, Sir, it is not only Turkana District which is affected, but the entire country. We had to set up a management board for the project. We are now in the process of identifying people who are going to manage it.

**Mr. Speaker:** Mr. Ndambuki, could you answer part "c" of the Question about Turkana and forget about other parts of the country?

**Mr. Ndambuki:** Mr. Speaker, Sir, the money is there, but I cannot say the actual amount allocated for Turkana District.

**Mr. Shill:** On a point of order, Mr. Speaker, Sir. I think the Minister is trying to evade the Question. He should not dismiss the Turkana people. The question is that the *El Nino* induced rains caused a lot of destruction to property in the area. We want to know the action the Minister has taken to assist those people who were affected by the rains; for example, providing them with food. The Minister should not just say that funds are there. In fact, funds cannot just come from where they are. It is for the Minister to initiate action. What action has the Minister taken from that time to date?

**Mr. Ndambuki:** Mr. Speaker, Sir, up to now, the people of Turkana are being given food by the Kenya Government. About 3,000 bags have been sent to Turkana District. Other Non-Governmental Organisations (NGO) like Oxfam are also supplementing the Government's efforts. Right now, I cannot say the actual amount of money allocated to Turkana District. However, once I know the figure, I will tell this House.

**Mr. Achuka:** Mr. Speaker, Sir, the Minister is misleading this House. The 3,000 bags given to Turkana people were meant for the poor people. Can he now tell this House what he has done to assist those affected by the *El Nino* rains? The *El Nino* rains displaced families. What action has he taken to assist them?

**Mr. Ndambuki:** The Government is doing what it can to provide food to the displaced families. Once the Fund for rehabilitating those roads and schools is established, it will be communicated to the House.

**Mr. Achuka:** On a point of order, Mr. Speaker, Sir. I am very worried because if the Minister cannot explain the damage which has occurred in Turkana District, then it means that we are not protected by the Government.

**Mr. Speaker:** Order! Order! In my view, when a Minister is asked by the House to state the urgent measures the Government has taken on a specified cause, it is not sufficient for him to state that the Government has taken unspecified measures. As a matter of fact, Mr. Ndambuki, you have been asked to state specific measures which have been taken.

*(Applause)*

Ministers should know that they are accountable to the Kenyan people through Parliament. Ministers should note that the Chair will not be lenient to them, when they deliberately refuse to give specific answers.

Next Question!

#### RE-INSTALEMENT OF HOSPITAL INTO NHIF SCHEME

**Mr. Obwocha:** Mr. Speaker, sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that St. Leonard's Hospital is one of the very few hospitals in Kericho Town that have assisted over the years, in offering treatment to emergency cases, especially road accident victims on the Nakuru-Kericho-Sotik Road?

(b) Why has the hospital not been re-instated into the Hospital Insurance Fund Scheme (NHIF) despite a court order to that effect?

(c) When will the hospital be re-registered?

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

(a) Yes, I am aware.

(b) St. Leonard's Hospital has been de-gazetted for lodging irregular claims to the NHIF. The hospital was eventually acquitted by the court, but it was requested to meet the conditions of re-accreditation. However, the hospital refused to meet those conditions, and instead, went to court to obtain a court order, asking the NHIF to re-instate it. This prompted the Attorney-General to file an appeal against the court order in the Court of Appeal in the sub-registry of Kisumu.

(c) I cannot, therefore, be able to comment on the matter as it is *subjudice*.

**Mr. Obwocha:** Mr. Speaker, Sir, the Assistant Minister is just hiding under those facts. I have a court order here, dated 22nd May, 1998 from a Kisumu court. It says that the Ministry is being oppressive by insisting that St. Leonard's hospital pays a certain amount of money to it. Last week, I said that the core of corruption in this country is the NHIF. Mr. Mwau should visit this place. The officers at the NHIF demand money from people before they can do anything. The order from the Ministry has been set aside by the High Court of Kenya. I have the order here. I can table the document in this House.

Mr. Speaker, Sir, the order states:

"It be and is hereby ordered and declared that the decision of the Inter-Ministerial Committee concerning the applicant and demanding that it pays Kshs1.1 million to the NHIF as a condition of re-accreditation of the applicant is oppressive and unfair, unjust and capricious"

This is oppressive!

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

*(Applause)*

**Mr. Speaker:** Mr. Criticos, have you seen that judgement before?

**Mr. Criticos:** Mr. Speaker, Sir, that is what I said earlier. I agree with hon. Obwocha, but we are appealing against that judgement of the court. That is why the Ministry has gone to the Court of Appeal.

**Mr. Speaker:** Have you appealed?

**Mr. Criticos:** Yes, Mr. Speaker, Sir. I got that information from the Attorney-General's Office, at 2.15 p.m. today.

**Mr. Speaker:** Order! Order! I think the best thing for me is that, if you have not appealed, then the legal position is as declared by that document that was read out by Mr. Obwocha. But if you have appealed, for it to be *subjudice*, you must prove to me that you have done so. You should give me a case number. To allow you to prove to me that you have appealed, I will defer this Question until tomorrow afternoon. If you will prove that you have, indeed, appealed, then I will make a different decision.

*(Question deferred)*

**Mr. Obwocha:** Mr. Speaker, Sir, that is the hospital where I was treated when my left leg was broken. That is the only interest I have.

#### OUTBREAK OF DISEASE IN WAMBA DIVISION

**Mr. Leshore:** Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that there is an outbreak of dysentery and diarrhoea in Wamba Division of Samburu District?

(b) What urgent action is the Minister taking to station enough staff and supply drugs in all the dispensaries and health centres in the Division?

**Mr. Speaker:** Mr. Leshore, do you think we can cover your Question in two seconds?

**Hon. Members:** Tomorrow morning!

**Mr. Speaker:** I defer your Question until tomorrow, in the afternoon.

*(Question deferred)*

**Mr. Ndicho:** On a point of order, Mr. Speaker, Sir. When you were on your feet, hon. Kalweo stood up to

go somewhere, and yet he is a Minister. He should know that when you are on your feet, he should not move from one point to another.

**Mr. Speaker:** Mr. Kalweo, did you move when I was on my feet?

**The Minister for Health** (Mr. Kalweo): No, Mr. Speaker, Sir. I wanted to stand up, but I saw that you were on your feet, so I sat down. The hon. Member should not be childish!

**Mr. Maitha:** On a point of order, Mr. Speaker, Sir. I want you to educate us on the usage of microphones in this House. The hon. Minister was speaking far from the microphone until I demanded that he moves closer to it.

**Mr. Speaker:** Mr. Maitha, you will learn this in due course. The longer you remain in this House, the more you will learn how to use the microphones.

Next Order!

### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

THAT, MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance on 11.6.98)*

*(Resumption of Debate interrupted on 18.6.98)*

*(Fifth Day of Budget Debate)*

**Mr. Speaker:** Who was on the Floor? Hon. Githiomi was on the Floor and he has six minutes to conclude his debate!

**Mr. Githiomi:** Mr. Speaker, Sir, with regard to infrastructure, roads in this country are in a very poor condition. To be specific, roads in Nyandarua district are in a deplorable condition, and they are impassable. The Government should do something to make those roads passable. We are almost becoming landlocked. Since the people of Nyandarua also pay taxes, they should be attended to. This is not the first time I have said that Nyandarua has been neglected in terms of roads. We want the Government to take action. We are not asking the Government to tarmac the roads, but something should be done to make the roads passable. They should either be murramed or the bad patches mended.

Mr. Speaker, Sir, on the retrenchment of teachers---

*(Loud consultations)*

Mr. Speaker, Sir, there is very loud consultation! I cannot contribute effectively to this Motion!

**Mr. Speaker:** Order, hon. Members! Proceed, hon. Githiomi!

**Mr. Githiomi:** Mr. Speaker, Sir, I would like to say that teachers should not be retrenched. This is because we cannot understand the reasons given by the Government. The Government said that there are no funds. But there used to be funds and the question is: "Where are those funds now?" They were misappropriated by the same people in the Government, who are now telling us that they are going to retrench the teachers.

The same Government is refusing hawkers to operate their businesses. Hawking has created over 10,000 jobs in the city of Nairobi. But now, the hawkers have been evicted from their places of business. Those people should be allowed to resume their businesses. The Government is not ready to absorb 10,000 hawkers into regular employment. The easiest way out is to let them conduct their businesses freely. That is the only way that they can feed their families, take their children to school and afford to live. The other alternative is for the Government to create jobs for the hawkers. But now that we know that is not possible, since the Government is retrenching its own staff, there should be a way to facilitate the hawkers to conduct their businesses. The Nairobi City Commission should look for an area in the Central Business District to allocate to the hawkers. Those hawkers should also be licensed, so that they cannot be harassed by the askaris.

When we evict hawkers from their places of operation, we create a big problem in this country. Most of them will end up stealing in the estates. Some of them will convert themselves into robbers. Those who cannot

steal end up as beggars in the streets, particularly the disabled hawkers. The Government should be serious for once. We should not neglect the hawkers as a community. Most of the people in the streets are learned people. Today, some hawkers have university degrees. But since they have no jobs, they have resulted to hawking. They should be respected for what they are doing. In actual fact, they should be commended for creating their own jobs without disturbing the Government. The Government should find a way of settling the hawkers in the Central Business District. They should not be taken to Nyayo Stadium, City Stadium or Nairobi West. This is because their customers are the people who work in the City. The people working in the City will not take their time to drive all the way to the City Stadium to buy a commodity that is worth Kshs10.

Mr. Speaker, Sir, time has come when all the funds that are collected from the taxpayers are distributed equitably. The people of Nyandarua have been neglected for a very long time since Independence. In my constituency, there is no single inch of tarmacked road. Yet, we have roads that can be properly utilised. We have roads in parts of Rift Valley which are not resourceful at all, and they are not economically viable. I would urge the Minister for Finance to set aside funds for rehabilitation of roads in Nyandarua District. There is a road which was to be tarmacked way back in 1994; that is the Njabini-Olkalou Road. But any time we ask a Question with regard to that road, we are told that funds are not available. But our people continue to pay taxes day in day out. The question is: When are the funds going to be available? Can we be told for sure, that the people of Nyandarua should persevere for the next two or three years for funds to be available?

With those few remarks, I support the Motion.

**The Assistant Minister for Industrial Development** (Dr. Galgalo): Mr. Speaker, Sir, I would like to make a few remarks on the Budget Speech. The Minister for Finance mentioned certain facts which he attributed to the bad performance of our economy. If you look at those factors, most of them are man-made. They are of our own making. **[The Assistant Minister for Industrial Development]**

But of course, there are others which were natural and could not be controlled. But still, we could have solved them by planning the lives of our people before the calamities.

With regard to increased interest rates, certain financial institutions have taken this country for a ride. They are the ones which determine the rate of our currency. We are not in control of our own resources. Some powerful forces out there, particularly external forces, have influenced our lives. This has been coupled with our poor infrastructure. Poor and damaged infrastructure is also of our own making in some cases. We have priorities which are not taken seriously. If you look at the main international road from Isiolo to Moyale, there is a regulation that the road should not remain impassable for more than three days at the most. But in our case, nobody bothers. The road has remained impassable for many months. The Government has never repaired any roads in the North-Eastern Province. There are places where no vehicle has reached for the past six months.

Mr. Speaker, Sir, we must take seriously, every part of this country by assisting those areas. There is a lot of trade which would have taken place between Kenya and other countries in the Horn of Africa, if that road was made passable. So, it seems that we have our priorities upside down most of the time. That is one of the problems we are facing today.

The Minister also addressed the issue of insecurity. Who is responsible for the security of this nation? It is us, the leaders, who are responsible for the security of this country; it is not just the Government. If there is insecurity in this country and the people are being killed in certain parts of the country, then it is a failure on our part as leaders. We must be a bit more serious with the welfare of our people; we must have feelings for the people we lead. Most of us are not affected by thuggery and other vices because we do not go to those places which are insecure and can afford to stay in safe places, or we are protected by security guards and so on. However, majority of Kenyans are not. My constituency is one such place; we have been subjected to banditry from both within and outside this country and there seems to be very little protection. If somebody does not have security for himself and his property, you do not expect such a citizen to indulge in any meaningful economic activity. So, we must be serious and provide security to all parts of our country.

Mr. Speaker, Sir, it is true that we have had more than our fair share of natural calamities like the current adverse weather condition, but we have to be prepared for such eventualities. We are now complaining about the shortage of food because of this weather, although it was known that the *El Nino* was coming. If you are aware of a looming disaster and you do not get prepared, then there is definitely something wrong. We must have our priorities right and address the issues which are afflicting us.

In my opinion, one other major problem that is affecting us is our relationship with the so-called "donor countries". A majority of the finances that come to this country are loans, but the person who gives us a loan, we call him a "donor". He is not a donor; he is a "lender". What is more, these loans are given to us at high interest rates. There are some loans which were given when I was a child and we are still repaying them. The Minister for Finance said that he was being pressurised to externalise these loans. To "externalise", means that we are

going to pay those loans for the next 50 years. That way, we would be tying down our children and posterity, to paying loans which have not been well utilised. I, therefore, congratulate the Minister for resisting that pressure and instead, taking that action which is within our means and not looking to other people for assistance. For how long do we expect other people to tell us how to solve our problems? We must learn to accept our problems and start living within our means.

But, occasionally, we have seen problems like what has occurred now with the teachers' salaries. It beats logic as to why senior Government officials should advise the Government that we are able to pay teachers such high salaries. Last year, the Government awarded the teachers a salary hike of 200 per cent. Those who misled us that the Government was able to pay teachers such high salaries should explain to the Minister for Finance where they intended to get that money from, or apologise to the teachers and to this nation and come clean and say that we cannot be able to meet those high salaries. If that does not happen, then I suggest that we pay the teachers because we had promised them we would pay them.

Mr. Speaker, Sir, I would like to comment on the Civil Service Reform Programme. The Civil Service has been accused of being corrupt, inefficient and too large. The civil servants have been the backbone of this country. Although they have their own problems, overall, I think they have done a good job in spite of very little incentives availed to them. The majority of civil servants earn very, very low salaries, but despite that, they continue serving the Government from 8.00 a.m. to 5.00 p.m. daily, obediently and to the best of their ability. It is not enough to retrench the Civil Service. You may do that, but unless you look after the welfare of those who remain, then it is meaningless and it beats the logic. We are now retrenching civil servants without looking after the welfare of those who remain. So, whether we have a small force or a large force, unless their interests are looked after, they are not going to perform as well as we would like.

Mr. Speaker, Sir, the other issue is on the privatisation of State parastatals. We have to be very careful. I am sceptical about most prescriptions that come from outside about the privatisation of State parastatals. The danger is, as we have seen over the years, not all Kenyans are capable of owning these parastatals. If you privatise them, then they will be bought by people who have always been accused of corruption and ruining this country. The majority of them are corrupt.

Thank you, Mr. Speaker, Sir.

**Mr. Ndicho:** Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to say some of the points we wanted to raise during the Budget Day when things turned upside down. I was intending to ask the Chair to impress upon the President, who was sitting next to the Chair, that naming the Vice-President of this country is not a ceremony, but an event. This country needs a Vice-President more than before, but after considering that issue, I have changed my mind. In fact, I want to congratulate the President for not naming a Vice-President. Already, we are asking the Government to improve our economy, and the President has shown the way because the money that is supposed to be paid to the Vice-President is now being saved, and the economy has started to improve.

Mr. Speaker, Sir, I will appeal to the President to take another step now and reduce the number of ministries as per the recommendations arrived at during the Mombasa and Mbagathi seminars. I want also to appeal to the President and, in fact, this House, since we are operating illegally because we do not have a Vice-Presidency to scrap the post of the Vice-President from the Constitution, so that we can operate legally and constitutionally.

**The Minister for Local Authorities** (Prof. Onger): On a point of order, Mr. Speaker, Sir. Is the Member for Juja in order to allege that we are operating illegally, when he fully knows that we are legally operating here?

**Mr. Ndicho:** Mr. Speaker, Sir, the President had promised a number of people the Vice-Presidency and I am not surprised that he is one of them.

*(Laughter)*

**The Minister for Local Authorities** (Prof. Onger): On a point of order, Mr. Speaker, Sir. Would the hon. Member be able to withdraw those assertions which are in a way very misleading?

**Mr. Speaker:** Prof. Onger, let me ask you one question: Is it defamatory for you to aspire to be the Vice-President? I do not think there is anything wrong with that.

*(Laughter)*

**The Minister for Local Authorities** (Prof. Onger): Mr. Speaker, Sir, I would like to be what I am here.

Thank you.

**Mr. Ndicho:** Mr. Speaker, Sir, we have seen that for the last six months now, this country has operated without a Vice-President and things have continued to function properly. In fact, when I become the President of this country, I shall not need a Vice-President. All that I will do is to emulate what President Mandela does. Whenever President Mandela leaves South Africa on foreign trips, he just appoints one of his Ministers to act as the President in his absence.

**Mr. Speaker:** Mr. Ndicho, where is all this contained in the Budget Speech?

**Mr. Ndicho:** Mr. Speaker, Sir, we are talking about saving some of our money by not paying the Vice-President. So, all that I am saying is that we should legalise that situation so that we can have a legal position. This is because the Constitution now demands that we have a Vice-President.

Mr. Speaker, Sir, going to the other point, I would like to say that we all attended the Mombasa forum and recommended something very important. However, the President, some hon. Members and stakeholders went to Mbagathi and almost echoed what we had recommended in Mombasa about externalising the domestic debts. Today everybody knows that we are paying Kshs43 billion as interest on the domestic debts. We recommended that. There are people who are willing to help salvage the situation by externalising the debts so that we can borrow money at seven per cent for a lengthy period of time. However, the Government is not willing to do that. We understand the reason why the Government is not willing. It is because some Members in the KANU Government are interested in having this money lent to the Government so that they can take it.

Mr. Speaker, Sir, the Government must show by action, that it is willing to resuscitate the economy of this country and help us out. The teachers are only demanding about Kshs34 billion per year. There is a very big sum of money and yet, the Government is not willing to do anything. We are telling this Government that there is enough money in this country to pay all the teachers the money that they need, to pay civil servants adequately, help the *jua kali* sector and all Kenyans in general, to lead better lives. This can be possible, if only that money is not stolen. As we speak here, the money that this country generates in form of taxes continues to be stolen mysteriously.

**Mr. Speaker:** Order! Mr. Ndicho, you have been here long enough. There are words that are not parliamentary and there are those that are parliamentary. You understand that very well.

**Mr. Ndicho:** Mr. Speaker, Sir, I withdraw those words and apologise. This country generates a lot of money. For example, we collect only Kshs9 billion per year from the sub-sector of the petroleum levy. The KANU Government also collects money from the road licences, spare parts and anything else to do with vehicles like batteries, tyres and other spares. A Kenyan with one single vehicle pays so much money in form of taxes for his automobile and yet, he does not reap anything from it. That is why we want this Government to be replaced as soon as possible, so that we can have a Government in place that will be responsible for managing well, the money that we collect in form of taxes.

Mr. Speaker, Sir, we rely on aid, donors and grants from abroad. The money that we receive from those countries is realised from tax payers in those countries. It is only that *Wazungu* just enjoy to see how we do things. We have a lot of money which we cannot manage and then we wait for them to give us loans. That is why I said here in this House that the money that we get, for example, from Great Britain whether as soft loans, grants or aid, is the same money that is generated from this country. This is the money that is generated by big companies like Del Monte, BAT, Lonrho, Kakuzi Limited, Spinners, Sasini and so on. The money that they get in form of their profits, is taken back to their countries. That is the money that is given back to us as soft loans. All that we are saying is that this Government must manage properly, the money that is realised from taxes that it collects.

Mr. Speaker, Sir, coming on the issue of teachers, there is no question of opening up at all. In fact, we are supporting KNUT totally, because KNUT is clearly stating that the President appointed a Commission to look into the issue of the teachers salaries and it recommended the 200 per cent salary increase. The President was given the recommendations and he said: "Hii ni nzuri sana. Weka". The same people have come back to say that they have no money. This is unacceptable and that is why we must support the teachers. We are saying that many Kenyans are parents, including the Aide-de-Camp (ADC) who stands behind the President. He is a parent and there is no way he is going to leave his child at home and go and stand behind the President. That is not going to be possible.

Mr. Speaker, Sir, you are not going to leave your child at home and come and sit on that seat if he is not going to school. Neither will I come and represent the people of Juja Constituency when my children are back at home there. We are going to do everything possible to support the teachers not to strike, but to get their salaries. If you are not going to heed to that, then you can learn from Indonesia how ex-president Suharto was handled. We are going to "Suharto" you very fast, if you are not going to solve this stalemate. We are not joking, because there is no way that you can expect a teacher to go and teach in a classroom if he is earning a meagre salary, not because

there is no money in the country. We as legislators, understand the economy of this country properly. If, for certain we know that there is no money in this country to pay the civil servants and teachers, we can stand up and tell them as our constituents: "Please, understand, surely there is no money as KANU is saying". However, we are telling them that KANU is putting things the other way round when, in fact, there is a lot of money, but they are misappropriating it.

Mr. Speaker, Sir, finally, let me say that the Minister for Finance has done something very bad. In his Budget Speech, he talked about the importation of the Complete Build-up-Units (CBU) of vehicles vis-a-vis the Knocked Down Units (KDU). I am going to say that the Minister erred so much because---

**An hon. Member:** Your time is up!

**Mr. Ndicho:** Mr. Speaker, Sir, thank you, very much for having given me the opportunity to say some words about the Budget Speech.

Thank you.

**The Minister for Local Authorities** (Prof. Ongeru): Mr. Speaker, Sir, I rise to support the Budget, because I believe it has, in many ways been able to present very critical areas that require attention and close scrutiny, in order to be in a position to deliver services to the people.

First, I think there is the issue of the Fuel Levy Fund, which the Minister for Finance has indicated will be a division between the Ministry of Public Works and the Ministry of Local Authorities, in assisting to uplift the infrastructure of the road network within our Local Authorities. I wish to state that this function is now being carried out very effectively, under very close supervision and I believe that the Budget which has been set aside to the tune of K£60 million, is a little bit on the lower side and I wish that this should be lifted up to a higher level, because I am one of those who believe that if you are able to stabilise the functions and authority of the Local Authorities, then you are able to reach the grassroots and reap maximum benefits out of that approach. Therefore, the infrastructure of our municipalities and other Local Authorities, particularly the road network, will be refurbished and at the same time, there will be a concerted effort to ensure that the maintenance of those roads is of the optimal value.

Mr. Speaker, Sir, before that, I think we have had some carelessness on the part of some of the contractors and consultants who have been engaged to supervise some of the programmes, but they have not taken trouble to see how well they are done. I am glad to say that we have, in fact, energized the total approach to the management of the maintenance programme within the Local Authorities and you will be seeing much of this in evidence. Currently, there is the extensive work being done in Nairobi, including 26 other towns and you will shortly be seeing some of the works being carried out within the city of Nairobi and many other towns such as Narok, Nakuru, Kabarnet, Garissa, Embu, Meru, Machakos, Makeni and many others. Therefore, this is just an example of what we are likely to do with the Fuel Levy Fund

Mr. Speaker, Sir, I now want to turn my attention to another element of the Budget, which I believe and I wish that the hon. Ndicho would listen to very carefully. This Government has very clearly pronounced its status in terms of service delivered to the people. There is a new addition in the Budget; the element of Local Authority Transfer Fund (LATF). As soon as the Bill--- In fact along with the Finance Bill--- That particular Bill has been tabled before this Parliament, to be able to give effect to the legal machinery and the administrative procedures required in administering that fund. Simply stated, the Local Authority Transfer Fund (LATF), is a fund which will be availed to Local Authorities; it is 5 per cent of the Income Tax. But that fund will only be utilised in as far as the Local Authorities are able to express total accountability in terms of delivery of services and expenditure. Therefore, we are not going to be very kind to any local authority, whether it is the level of councillors or the level of chief officers, in dispensing services. We want them to deliver the services and the funds will be made available, contingent upon them giving audited books of accounts, at least for the last five years. We are saying the fund will be availed by the Government to be able to assist, resuscitate and create financial stability in Local Authorities. But if the Local Authorities themselves are unable to perform effectively, then they should say so. I think the calibre of the people that we are likely to put in these authorities is an important function that the Government will have to look into very closely. In fact, I want to submit that we want to go through a rationalisation programme and definitely, the Local Government Reform Programme will have to take into account some of these hitches, which are so important and critical to the delivery of services. We are also saying that the LATF funds are not simply available for their taking. We are saying that we shall examine their functions, activities and excellence in revenue collection.

Mr. Speaker, Sir, I have had the occasion to meet various Local Authorities and been able to discuss with them extensively, the method and manner in which they raise their revenue. It is very disappointing. Some of the revenues are not being raised where they ought to be raised. For example, this morning, I met the councillors from Garissa. Hitherto, the officers who were there were only raising about Kshs30,000 to Kshs40,000 a week. But

when we changed the officers and brought in a new Town Clerk/Treasurer, the revenue suddenly went up to Kshs200,000 per week. Now, to me, it indicates that there is some level of lethargy that we must, of necessity, clean up. The axe will fall on those who are either misappropriating those funds or those who are not active enough in collecting revenue to the councils. Therefore, the Government has not stolen anything from anybody; if anything else, the Government, in fact---

**Mr. Speaker:** Prof. Ongeru, may I say that word is unparliamentary.

**The Minister for Local Authorities** (Prof. Ongeru): Sorry, Mr. Speaker, Sir, I meant the Government has not misappropriated funds. What we are really saying is that, the Government is firmly on the look-out, to be able to monitor expenditure very carefully. Where a problem arises, it is when you get people wanting to seek favours from the councils: favours which are completely out of reach by those councils to meet. I think when favours are sought, they do not discriminate the divide of the House. In fact, it is across the board and I think it is an area that we would like to look into very carefully.

Mr. Speaker, Sir, let me also say that late contribution in view of rates has been one of our major headaches, in terms of compensating Local Authorities for what they are owed in terms of contribution in view of rates. The Budget has very ably tackled this issue and I think, we should give the Government credit for having found out a way in which the gross indebtedness from both sides--- The Local Authorities do owe the Government some money and vice versa--- I believe the Budget now has clearly stated that any funds that may be owed to the central Government will have to be deducted, net of the contribution in lieu of rates and those funds that are made from the contribution in lieu of rates, would then be submitted to Local Authorities. Therefore, in short, if the Local Authorities tighten up their revenue collection, expenditure, administrative capacities and abilities and if they are able to receive funds from LATF, they should be in a position to stabilise their financial status and, therefore, deliver services to citizens wherever they are. I am one of those who strongly believe that grassroots politics is the most essential part of our politics. I think the Government has taken cognisance of this factor, that grassroots politics are essential; they are important for our growth and that is why, when the constitutional reform process is in full gear, we will have to fall back to the Local Authorities at the grassroots level, to sustain our thinking and the kind of format of the constitution that this country must have. This is because without the support of the grassroots, it will be extremely difficult to be able to look forward positively. That is why sometimes we should not waste our time in deviating to areas that are of little interest and concern to the rural or urban person who lives in a poverty area.

Mr. Speaker, Sir, I must touch on one crucial point. If we are going to maintain our municipalities and cities in an orderly manner, then we must accept the principle that they must be free of any encumbrances. I have heard a lot of comments on hawkers. We are saying that they will be provided with places to operate in. However, for goodness sake, they should keep off the Central Business District (CBD).

With those few remarks, Mr. Speaker, Sir, I support the Budget.

**Mr. Kapten:** Thank you, Mr. Speaker, Sir, for giving me this opportunity to contribute on the Budget Speech. I will start by thanking the Minister for Finance for ably presenting the Financial Statement to this House. But I will mainly touch on its implementation. The Government is very good at passing recommendations and resolutions, but when it comes to implementation stage, it fails. The major problem we have with this Government is on implementation of recommendations and resolutions. Last month, we were in Mombasa and Mbagathi and we passed certain resolutions and recommendations. We expected the Government to take action to implement the recommendations that were passed at both Mombasa and Mbagathi meetings. To date, nothing has been done. The Minister presented the Budget very ably. He outlined various steps to be taken by the Government in order to resuscitate our economy. But the question is: Is he going to be able to implement what he told this nation? I am very doubtful. Just the other day, the Government said that the question of senior officers surrendering vehicles should take a period of 60 days. Why should it take 60 days for senior Government officers to surrender motor vehicles? It is an exercise which can be done within a period of a few hours. The Minister said so but the following day, the President said it should take 60 days. What are we up to? It means that the Government is not serious with what it tells us. The public pronouncements which are just meant for public relation are not going to help this country. The Government must be serious in implementing what it says.

Mr. Speaker, Sir, one positive point the Minister made in his Budget Speech is the establishment of a Financial Controller in every Ministry. If these officers will work, I believe that we may curb corruption in the Government. But as I said, even if we have those officers in every Ministry, will they be given the chance to perform their duties? In this Government, senior officers are just there. They cannot make decisions. Decisions are made elsewhere. How is the Government running? Senior officers, be they Permanent Secretaries, Ministers or Assistant Ministers, must be given a chance to perform their duties. They should not be there just as portraits



or pictures. That is what fails this Government. So, if the financial controllers, as the Minister said, will be in every Ministry, let them be given responsibilities in order to perform their duties, as far as finances in each and every Ministry are concerned.

Mr. Speaker, Sir, on the question of teachers' salaries, a lot has been said. Teachers went on strike because of the failure by the Government to implement what they had agreed upon. Before they went on strike, there were negotiations which took almost two years. We had representatives from KNUT, Office of the President, the Ministry of Finance, the Ministry of Education and Human Resource Development and Teachers Service Commission (TSC). These were very senior officers who sat together for a period of about two years under the chairmanship of Dr. Taita Toweett to negotiate teachers' salaries. At the end of the day, they agreed upon certain issues and signed an agreement on teachers' salaries. The people who were in that committee were not messengers; they were senior Government officers. After they had signed the agreement, then all of a sudden, the Government realised that they could implement it. Were they sleeping? Was the Government asleep at the time it signed the agreement? If the Government was asleep, let it say so and the best thing it can do is to resign. But if they were not sleeping, let them implement what they agreed with the teachers. It is too late now for them to say, that there is no money to pay the teachers. We will support the teachers because a responsible Government signed this agreement.

We are talking about saving funds in order to revamp the economy which is in Intensive Care Unit (ICU).

You must have realised about the expenditure incurred by the Presidential motorcade in this country. Wherever the President tours provinces, he has a fleet of over 100 vehicles following him. What do these vehicles do? That is one area where the Government can economise. I believe if Presidential motorcade is cut to size, a lot of money will be saved. In fact, I believe, if it is cut to size, that money will be enough to pay more than 100 teachers' salaries for one year. Instead of us having over 100 vehicles following the President every time he tours a province, let there be ten motor vehicles following him.

**The Minister for Local Authorities** (Prof. Ongeru): On a point of order, Mr. Speaker, Sir. It is not my intention to interrupt hon. Kapten, but is he sure that there are over 100 vehicles in the President's entourage whenever he tours a place in this country?

**Mr. Kapten:** Mr. Speaker, Sir, I am sure they are usually 100 vehicles. The other day, when the President went to Kitale there were over 100 vehicles.

**Mr. Speaker:** By the way, hon. Prof. Ongeru, you do not stand on a point of order to ask a question.

**Mr. Kapten:** Thank you, Mr. Speaker, Sir. I think it is important if the Government can reduce the presidential motor vehicles. That money may be used to pay the teachers' salaries.

Mr. Speaker, Sir, on the question of insecurity, we have banditry and cattle rustling everywhere in this country. I am very happy that, the other day, one of the Cabinet Ministers, for the first time, started talking about peace. We hope that the Minister is very serious and he is going to do what he told the nation about peace. That will help, especially in my area where there is a lot of cattle rustling from a certain community. I hope with that new spirit, we are going to have peace in this country.

Mr. Speaker, Sir, the farming industry in this country is neglected. Previously, we used to have what we used to call Guaranteed Minimum Return (GMR) or Seasonal Loan Credit, which used to help farmers boost production. However, this facility was withdrawn from farmers. That is why, more often than not, we now have famine in the country. It is because farmers are no longer being assisted by the Government.

The Government must look into the farmers' interests if we are to boost food production. There is no need for us to keep on importing food when Kenya is known to be an agricultural country. Let the Government be serious on this and help the farmers boost food production. It is not just enough to abolish the Presumptive Tax. That is not going to help because the Government is abolishing the Presumptive Tax on one hand, while on the other, it is introducing Income Tax. How is the Government helping farmers this way? If the Minister for Finance was serious, maybe, he should have reduced the rate of Presumptive Tax charged on farmers. Otherwise, if we do not look into the farmers' interests in this country, we are in for a hard time.

Mr. Speaker, Sir, I would like to say something about unemployment and poverty in this country. Kenyans are living below the poverty line. We must help them to come above the poverty line. With those few remarks, I beg to support.

**Mr. Jirongo:** Thank you, Mr. Speaker, Sir, for giving me an opportunity to support the Budget Speech presented to this House by the Minister for Finance. Although many Kenyans came up and said that many critical areas were addressed by the Budget, there are certain areas which I strongly feel that the Minister still needs to do much more if the intended achievement of disciplined public affairs management is to be attained. First of all, we have the issue of the sugar industry. This has become a very contentious issue, particularly to people in

sugar-growing areas. A recent advertisement appearing in the Press talked about the setting up of Busia Sugar Industry, and casually asked interested parties to come up and show their interest. The Minister for Finance talked of the Joint Industrial Consultative Council, which will ensure that the public participate much more in their affairs. We have institutions that can lend money to common Kenyans to enable them to participate in the privatisation process much more. The International Finance Corporation is one such institution. The issue of privatisation can easily turn Kenyans into mere labourers if the Government will not be serious enough to ensure that ways and means are found, and that Kenyans are organised, to participate in the affairs of this country's economy much more seriously.

**An hon. Member:** On a point of information, Mr. Speaker, Sir.

**Mr. Speaker:** Mr. Jirongo, do you want to be informed?

**Mr. Jirongo:** No, I do not want to be informed.

Mr. Speaker, Sir, there are many other areas which, I believe, we need to look at much more seriously. For example, the issue of teachers' salaries. We have billions of shillings in Treasury Bills. Holders of these Bills earn big interests to the tune of 27 per cent. Now, instead of punishing the poor teachers, who, even after having a salary increment of 200 per cent, cannot still afford to meet their financial obligations, the Minister for Finance should have looked for ways and means of either taxing these Treasury Bills more to raise money so as to honour the Government's commitment as far as teachers are concerned, or negotiate with those who have billions of shillings in the Central Bank of Kenya, instead of picking on teachers. In fact, if the Minister for Finance expects to raise more money, say, from areas such as the tourism sector, he should increase the salaries of security personnel in this country. Graduates who opted to join the police force earn monthly salaries of Kshs1,800. These officers, armed with G3 or AK47 rifles, walk throughout the night, trying to protect tourists who bring in the money the Minister for Finance needs to meet the Budget requirements. It does not make sense to leave those with billions of shillings stashed in the Central Bank of Kenya alone and punish ordinary Kenyans more by making them work harder to pay interest to those who have stashed billions of shillings in the CBK, who are not even taxed.

Mr. Speaker, Sir, there are many other areas from which the Minister for Finance can look for money to honour financial obligations of the Government. For example, K£48,000 is collected from over 700 three-bedroomed houses owned by the Webuye Panpaper Mills. This means that each tenant pays a rent of, possibly, about Kshs1,200. Now, who collects the rest of the rent, because most of us know that you cannot afford a three-bedroomed house if you are paying a rent that is less than Kshs1,000?

So, the Ministry of Finance has better areas to collect money from and meet Government financial obligations than sacking 66,000 teachers, and, again, telling them that the Government is not able to fulfil the obligation it undertook to fulfil. It pains because, in a place like the National Social Security Fund or the Central Bank of Kenya, a mere cleaner earns over Kshs12,000. This is the salary paid to a headmaster of a secondary school. What sense does this make? As if this is not enough, the Government goes ahead to tell teachers that the small salary increment of Kshs 2,000 will be taken away! This will demoralise teachers and affect the education of our children negatively.

*(Applause)*

Mr. Speaker, Sir, although many Kenyans have said that the Minister for Finance is serious about the Budget, I believe that he should also be more serious by ensuring that we do not also have a parallel "little ministry of finance" carrying out their own functions. We know of situations like in the Mumias Sugar Company, where spare parts alone cost farmers Kshs4 billion per year. These are spare parts which can be manufactured locally. You will find that a funny company in Britain, possibly owned by Kenyans, is the same company that supplies those spare parts. How genuine are we? Do we only become genuine when it comes to talking about common Kenyans? We are not saying that we want to take the money of those who have it; we are saying that they have taken that money out of the labour of the common Kenyan, and they should be the people to pay taxes to sustain the economy so that the common Kenyans can work harder. The teachers work even harder than they are normally supposed to. The 8-4-4 system of education demands that teachers work on Saturdays, Sundays and even at night. It is not the teachers who came up with this system of education, where a child is required to take about 15 subjects. It is the same Kenya Government. This Government must, therefore, respect--- You do not ask me to carry a heavier load and also tell me that you will pay me nothing for doing so. You will have to pay me an amount of money equivalent in value to my production effort.

The Ministry of Finance has better areas from which to look for money than punishing teachers and poor civil servants. How much more money do they earn through their normal yearly increments and normal

allowances? Peanuts! Big amounts of money belong to those who have invested in Treasury Bills, and these are the people who should be taxed to finance the common Kenyans. I believe that civil servants are doing their job; if we give them the opportunity, they will do their job. I believe that Government Ministers are also doing their work. They need to look like Ministers. If you say that a Minister should have only one official car and yet, a simple Kenyan businessman has Kshs300 million in Treasury Bills which earn him another Kshs50 million annually, you are not being fair to Ministers and Permanent Secretaries. When a legislator is not allowed to buy a car of over 3,000cc engine power when a fellow Kenyan earns from the sweat of fellow Kenyans Kshs50 million annually, possibly from money that he has never earned, anyway, it is being unfair to common Kenyans.

Thank you, Mr. Speaker, Sir.

**The Member for Starehe** (Mr. Kamanda): Mr. Speaker, Sir, this is going to be my maiden speech because I have never made any contribution in this House.

Mr. Speaker, Sir, I want to thank the people of Starehe who elected me as their representative in this House. I also take this opportunity to welcome you and all hon. Members of this House to Starehe Constituency because this Parliament is situated in my constituency.

Mr. Speaker, Sir, I have a few comments to make on the Budget Speech. On the issue of teachers' salaries, maybe it is the 200 per cent that we are worried about. But if we multiply the salaries which the teachers are earning - Kshs2,000 per month - by 200 per cent, that will amount to Kshs8,000. To me, that is peanuts and this House should not discuss the issue of teachers salaries. When those of us who are in the Opposition will be in the Government, we shall double that percentage. When that time comes, we shall multiply the teachers' salaries by 400 per cent because we shall manage the economy of this country and we shall afford to pay the teachers like other countries in the world.

Mr. Speaker, Sir, the Minister for Local Authorities had said that he was going to establish a Local Authorities Transfer Fund but that will not help the local authorities. The Minister for Local Authorities and the Minister for Finance should amend the Local Government Act, Cap.265 which gives the powers of the councils to the Chief Officers. These are the people who are messing up the local authorities in this country. I am saying this because I have been a councillor in Nairobi City Council for more than 20 years. I have the experience and I know how the Council is run. Today, the procedures in most local authorities are not being followed because some of the officers who have been given that responsibility by the Minister have turned these councils into personal properties. The previous Ministers have been hand-picking the officers to run the local authorities. Those officers messed up those local authorities because they have political godfathers. We now have a good Minister for Local Government but we do not know whether he will be like the others whom we had before.

Mr. Speaker, Sir, the Minister should know that a piece of land set aside for sewage at Ruai is now being dished out by Nairobi City Council Chief Officers. Some of those officers are more powerful than the Minister for Local Authorities and the Minister cannot even touch them because they have their godfathers elsewhere in the system. The Minister cannot even discipline them. These officers are there in the Nairobi City Council and that is why we have a lot of problems. I am saying this because for those of us who are Members of Parliament from Nairobi, if we have to be seen to be doing something, we have to depend on City Hall. If City Hall does not operate, we do not also operate as Members of Parliament. So, something has to be done and we are telling the Minister concerned not to be like the other Minister who grabbed all the properties in this City. In fact, we have one Minister who even grabbed the only Community Centre in Dandora where the Nairobi City Council used over Kshs50 million. The concerned Minister was given that property at a token price of Kshs5 million and that Minister is still a Member of this House.

**An hon. Member:** Who is this Minister?

*[Mr. Speaker left the Chair]*

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

**The Member for Starehe** (Mr. Kamanda): Mr. Temporary Deputy Speaker, Sir, I am making my maiden speech and I should be protected.

Mr. Temporary Deputy Speaker, Sir, during the last Parliament, a Minister for Local Government brought an issue here of private lawyers who were engaged by the Nairobi City Council to collect rates on behalf of the Council. He even tabled the names of those lawyers here in the House. We were told that those lawyers owed Nairobi City Council over Kshs1 billion. What did the Minister do to prosecute those lawyers? Up to today, nothing has been done. During the 1997 General Election, four of those lawyers who owed Nairobi City

Council colossal amounts of money were KANU candidates. That means those lawyers are well protected by KANU and the Government because they are KANU lawyers. I wish to request the Minister to take steps and prosecute all those people who owe Nairobi City Council money.

Mr. Temporary Deputy Speaker, Sir, the Anti-Corruption Authority has send some police officers to City Hall and that is a commendable job. But the Minister has directed that only the councillors should be arrested. Why not the Chief Officers? The officers who are the key implementers and managers of City Hall are not being touched. I am not protecting the councillors. If they are thieves they should be dealt with accordingly. But the officers who signed all the documents should be dealt with accordingly.

With those few remarks, I beg to support.

**The Assistant Minister for Education and Human Resource Development** (Mr. Awori): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to join my colleagues in discussing the Budget.

I would like to start by congratulating the Minister and his team for the very good job that they have done. A lot of thought must have gone into the Budget. The burden carried by the ordinary mwanachi in this country is colossal. If we take a person who has got two children in a secondary school and, perhaps, one child in a university, it is such a big burden that some of the parents have had to sell their pieces of land in order to get the money to pay school fees.

Mr. Temporary Deputy Speaker, Sir, when the Minister for Finance raised the amount of money on which no income tax is to be paid, I think this was a wonderful thing. Everyone sighed with great relief. We were waiting to see whether the Minister for Finance would touch on income tax as this has been done year after year. But this time, he has left the income tax at the rate at which it has been.

Mr. Temporary Deputy Speaker, Sir, for many years, there has always been an element of external funding in the Budget. In this year, all the proposals have been based on local sources of funds. One can, therefore, say without any hesitation that for the first time, we are indeed, having our own Budget. I believe that if we have the will we will be able to make it, considering the conditions of the finances and the economy in this country. What the Minister and the Government require is encouragement. It is always very easy to criticise but it is very difficult to build. What we need now - and I call upon the Minister and all of us in the Government to do this - is to implement all these proposals that are in the Budget. It would be an exercise in futility if we left the Budget just as it is without implementing most of the proposals because a good number of them require tightening of our belts.

There are additional channels that I would like to suggest to the Minister for Finance, perhaps, in saving a little more money from the expenses that we have. Let us look at the Ministry of Tourism, for instance. We know that tourists prefer to come to this country because we have a lot of attractions. In the past, we have always had good infrastructure and adequate security. Right now I am sorry to say that there is not much to attract tourists. It may be that since we do not have sufficient funds to give to a tourist officer in either London or Frankfurt, perhaps, we could recall the tourist officer so that we can save the overseas allowance and the allowances given to the commercial attaches. In other words, perhaps we had better bring back home these people who require extra funds in addition to their salaries to carry out their work.

We also have quite a number of embassies in countries where we really do not benefit directly. Perhaps the time has come when the Minister for Finance and his counterpart in the Ministry of Foreign Affairs should look very carefully to see whether we can close down some of the embassies in order to save money. Our infrastructure has been shot to pieces as we all know, before and after the *El Nino*. It is necessary to try and rehabilitate the infrastructure. The rehabilitation of infrastructure is a top priority. We have to think seriously about it. We do not need to wait until we can get funds from external sources. Whatever, we have got, let us try and borrow a leaf from others who have been in the same kind of situation. After the collapse of the stock exchange in 1929 and 1930, during the depression, the Americans had a surplus of workers but little finance. They combined the few resources that they had with their unemployed to work on their infrastructure. They utilised their time to build big highways and dams for electricity and water. The Germans did the same after they had lost the 1914-1918 war. They had a surplus of workers whom they utilised to build huge and better water dams, and so did the Italians.

We have a surplus of workers. Let us combine these workers with the little resources that we have to build our infrastructure. When we plan the infrastructure, if we are talking of roads, let us build them from north to south, east to west, without thinking of political persuasion at all. What we need is to build the country as a whole. The road from Mombasa to Kisumu and to Malaba should not just be patched up. It should be built in the way that we want it to be, in several lanes. It has got to be a dual carriage-way.

Mr. Temporary Deputy Speaker, Sir, our railway line was built some hundred years ago. It has only one

line and it still remains one. Let us utilise the time we have to increase the number of lines; express lines and others which offer other services. The same thing should be done with airfields. We need several air fields all around the country to enhance communication. All this can be done with the funds we have and also utilising the unemployed people.

Mr. Temporary Deputy Speaker, Sir, we want to avoid utilising contractors who are so corrupt. After some contractors have been given contracts and start working on the roads, those roads need repair, even before they are completed.

Mr. Temporary Deputy Speaker, Sir, on the proposal that we should industrialize this country by the year 2020---

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

**Mr. Wanjala:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support the Budget Speech. The Minister for Finance's Budget was okay, but in one way or another, the Government has failed to consider the fishing industry. We, the people living along the Lakeshore are really trying to do fishing, and that industry is bringing a lot of revenue to this country, but it is not given consideration. For example, in Nyanza Province alone, we have more than 10 factories which process fish. I am surprised to see my brothers from Nyanza cooperating with KANU. It seems that they are not telling the Government what they are doing at home, so that their requests can be considered. So, the fishing industry should also be improved and our fellow fishermen assisted. The Government is assisting tea, coffee, sugar cane and other farmers; but fishing industry is excluded from whatever is being done. So, we are very much concerned and we feel that next time, fishing industry should equally be considered.

Mr. Temporary Deputy Speaker, Sir, uncustomed goods which are normally diverted into the local market instead of being exported have really brought a lot of problems and this is why the Government has lost a lot of money. So, the Government should be strict on this issue and these goods should always be escorted right from Mombasa to their final destinations. The customs officers cause a lot of problems. Some of them leave goods here in Nairobi and go with a letter to Busia for stamping, so that the goods are diverted and sold locally. So, I suggest that goods should be serialised, and the person buying the goods must be given the serial number so that, when those goods are found within the country, that person is followed and his contract terminated.

Mr. Temporary Deputy Speaker, Sir, on the issue of teachers' salaries, a lot has been said. I am the only Opposition Member of Parliament in Busia District. I told teachers of Busia District during an education day a week ago that I will be on the front line when they will be demonstrating. The teachers must be paid as agreed. There is no compromise on the issue. I think, it is a waste of time to talk about re-negotiation because the Government had already agreed to the salary increment. The Government has already implemented phase one of the scheme, so there is no reason for KNUT to re-negotiate. I am a professional teacher and I know how teachers are suffering. The amount which the teachers are being paid even after 200 per cent increment is not even enough; they should have been given 300 per cent. Teachers are really suffering and they wake up very early in the morning to go to work, when civil servants go to their offices at around 9.00 a.m. By 7.00 a.m, the teachers are already in classes and they go back to their homes very late in the evening, at around 6.00 p.m. So, when you look at what teachers are being paid, you can agree that they are being underpaid and they should be given more money. The Government has got money.

Yesterday, I read in the newspapers that somebody's son has already taken Kshs300 million outside the country and nobody is talking about it. The President has been saying that some people are keeping money outside this country. He has not told us up to-date, who these people are and how much they have returned to the country since he asked them to do so. If they have not returned any money to the country, what steps has he taken, as he asks for the teachers' salary to be re-negotiated? Why should the frustrated teacher continue to be frustrated while a man who has a huge amount of money is left to go scot free? So, teachers' salaries should not be an issue in any way. Teachers should be paid their money in good time. If the Government fails to implement the scheme, I am ready to go with the teachers into the streets of Busia District.

**An hon. Member:** In Kenya, not in Busia District!

**Mr. Wanjala:** Maybe some of you in Kenya are not ready for that.

Mr. Temporary Deputy Speaker, Sir, introduction of VAT was a good idea, but it is being misused possibly by the officers in charge of it. I appreciate that the Minister for Finance reduced VAT in his Budget for this year. I also recommend that VAT should have only been effected at the manufacturing level. It should not go up to the wholesale level. This is because the officers concerned in VAT collection are really frustrating businessmen, especially Indians in Kisumu. The Indians in Kisumu are having an outcry. The officers may send a person to the shop to buy an item and before an Indian writes a receipt, the buyer has run away. After a few minutes, this person comes back with a VAT officer and claims not to have been given a receipt by the Indian.

Then the Indian is frustrated in his shop until he gives out something little to be released. So, Indians are really suffering under Value Added Tax collection officers. So, I think VAT should only be deducted at the manufacturing level. It should not be spread up to the final buyer of the commodity. The harassment has become so much with regard to Value Added Tax collection.

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

**The Minister for Water Resources** (Mr. arap Ng'eny): Mr. Temporary Deputy Speaker, Sir, I rise to support the Budget Speech read by the Minister for Finance, hon. Nyachae. The Budget was unique and historic in the sense that, for the first time, in the history of Kenya Budgets, we managed to have a balanced Budget. To me, and, I think, to all hon. Members, Kenya could be considered to be one of those few countries which have managed to balance their Budgets.

Mr. Temporary Deputy Speaker, Sir, if America, which is a superpower, did not balance her Budget for over 30 years and Kenya has done it, then Kenya is a superpower. Sometimes when I listen to hon. Members, I am surprised that we seem to forget that a few years ago, before the advent of a historical event in Europe, we were the most darling boys and girls of the Western world. This was before the collapse of the Berlin Wall in 1989. When that wall collapsed, a terrific thing happened not only in the developing world, but even in the so-called recently industrialised world. We forget that initially, we were introduced to very interesting ideas. We went to nursery school, secondary school and then to the University. The Western powers came up with something called "Structural Adjustment Programmes (SAPs)". We learnt and practised that, but nothing happened. They later came up with "Enhanced Structural Adjustment Facility (ESAF)". We learnt this very hard and nothing came out of it. And then, they came up with such words as "transparency" and "accountability". So, we are now learning at a very high level: the university level. But all these things bring about confusion. Kenyans are being confused, yet we have hon. Members who are really learned and have a chain of degrees. Why do we not learn and say that enough is enough instead of having a symphony? Even if we have the best symphony orchestra from Moscow, Paris, London, New York or Washington and we listen to it--

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

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

**Mr. Kariuki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for a Government Minister to talk in a derogatory manner about the IMF and the World Bank programmes which the Government is a party to? Further, is it in order for him to educate the House about these two programmes which he was a party to, particularly when he was the Managing Director of the Kenya Posts and Telecommunications Corporation?

**The Minister for Water Resources** (Mr. Arap Ng'eny): Mr. Temporary Deputy Speaker, Sir, I did not mention any institution or any name. I am simply commenting on the world situation.

Mr. Temporary Deputy Speaker, Sir, I have suffered greatly for mistaken identity, which I really hate. I will, in future, come clean on this issue. We should not sing corruption like a symphony orchestra, because people will think that Kenyans talk about nothing else apart from corruption. I agree that we have made some mistakes, but that should not be our---

**Mr. Ndwigwa:** On a point of order, Mr. Temporary Deputy Speaker, Sir. It is incredible that the hon. Minister is lecturing this House on corruption. He says that it should not be called corruption, but mistakes. If he has a confession to make, let him make it. But corruption is just corruption and not a mistake.

**The Minister for Water Resources** (Mr. arap Ng'eny): Mr. Temporary Deputy Speaker, Sir, I have no confession to make.

This is a very humane Budget. There were no taxes for the vulnerable group or the lower income earners. The Budget considered a lot of things, including the infrastructure. We know that before the *El Nino* induced rains, there was drought. We should congratulate Kenyans for endurance, hard work and determination. If Kenyans were lazy they would not have endured these catastrophes where we had drought followed by devastating rains, flooding everywhere. We should therefore, congratulate ourselves and not cry out.

Mr. Temporary Deputy Speaker, Sir, I would like to take this opportunity to congratulate the Minister for Finance for an all-inclusive Budget. My Ministry is one of the most important Ministries, because it deals with water which is life. I am requesting hon. Members that when the Vote of the Ministry of Water Resources comes to the vote, they should even increase funds allocated to it. This is because I would like the Government, through

my Ministry, to give water to wananchi everywhere. I would like to see tap water available to every Kenyan.

Mr. Temporary Deputy Speaker, Sir, my Ministry is working on a programme to avail tap water to every Kenyan. I am sure hon. Members are aware of this programme.

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

**Mr. Maitha:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support the Budget Speech read in this House by the Minister for Finance. This was a nice Budget, except that there might be a few areas where the Ministry did not do enough homework.

Mr. Temporary Deputy Speaker, Sir, there is nothing wrong with reading good Budgets in this House, but Kenyans are always worried that in any good Budget, a follow-up has to be there. They are also worried that those people who misappropriated funds which belong to this Government are not being arraigned in court, despite the fact that the Government knows them and always promises to take action on them.

Mr. Temporary Deputy Speaker, Sir, I would like to support hon. Members who are supporting the teachers demands, that the Government should not renegotiate their salaries. I will go with teachers onto the streets if need be, so that the Government does not renegotiate their salaries. The Government has other sources from which to get money without taking away the little which the teachers have at the moment.

Mr. Temporary Deputy Speaker, Sir, it was also wrong for the Minister not to show enough interest in the tourism industry, which contributes big sums of money to the GDP every year. It was not worth complaining that clashes have caused the collapse of the industry. The Government did not even address itself well to the issue of infrastructure. It did not even address itself well to the issue of giving enough money to market the industry. Allocating K£3 million is not enough. The Government could have closed all tourist offices in all foreign countries and then, money for salaries for officers in these offices could have been transferred to the Tourism Board to market tourism properly. The Minister should tell us why they have not addressed themselves to the issue of improving tourism at the Coast, which earns the country a lot of money every year. Enough homework was not done on the improvement of tourism.

Mr. Temporary Deputy Speaker, Sir, the other area where the Minister did not do enough homework was where he said that he had increased duty on imported second-hand motor vehicles. Those who will be able to afford these vehicles are those who grabbed property and those who are corrupt. For example, many Kenyans wear second-hand clothes, which are cheaper than new clothes. When second-hand vehicles started coming to this country, even those who can afford Kshs50,000 could drive a vehicle like any other Minister in this House. So, it was not right for the Minister to increase duty. When he said that Members of Parliament are exempted from tax, I wonder if a new car can be purchased with the Kshs750,000 loan given by this Parliament. It simply means that Members of Parliament have also to purchase second-hand motor vehicles. If the Minister wanted to be fair, he would have even increased loans to Members of Parliament, so that they are able to purchase new vehicles, which are very expensive at the moment.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance did not carry out enough research on some areas in this Budget. However, in some areas, the Minister for Finance did very well. I wish to bring to the attention of this House the fact that the privatisation of the Kenya Ports Authority (KPA)'s terminal section is not a good move by the Government. As a leader from Coast Province, I am complaining bitterly. For the Coast Province, when it comes to privatisation of a section at the KPA, it is like touching the Sugar, coffee and tea industries in the areas where these crops are grown. Leaders there are briefed and informed as to why that action is being taken. It is not true that the congestion at the KPA is caused by the terminal. The people of Coast Province are aware that the Government is doing this because some few people, including Ministers, have formed companies. These people have even brought experts who are yet to test part of this terminal, so that they can lay off 2,500 workers. These people want to take the whole port of Mombasa and do what they want there. The people of Coast Province are aware of this and they are not happy about the privatisation of the KPA, which is being done by the Government. We will protest, if need be.

**Mr. Shaaban:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has made a very serious allegation that Ministers are colluding to take over the KPA. Can he substantiate instead of making sweeping statements in this House?

**Mr. Maitha:** Mr. Temporary Deputy Speaker, Sir, I have not mentioned any hon. Member at all. I said that it is not a good idea for the Government to say that it will privatise the container terminal at the KPA. In fact, congestion at the port of Mombasa is not caused by the container terminal. If a container is brought to the port and maybe, the owner of that container is a Member of Parliament or a Minister---

**Mr. Shaaban:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Since the hon. Member cannot substantiate, can he withdraw and apologise to this House for making serious statements?

**Mr. Maitha:** Mr. Temporary Deputy Speaker, Sir, I am saying that the Government cannot privatise a section of the port before it tells the leaders of that area why it wants to do it. I did not mention any hon. Member in this House in connection with this matter. If the hon. Member is worried, maybe, he is among them. It is wrong to say that the terminal is going to be privatised. If the Government was sincere about privatising the KPA terminal, it would have said that it will also privatise the railway line from Mombasa to Nairobi. If you bring a container from abroad, you will leave it at the KPA because you are looking for the Minister in order to obtain a waiver. That container will stay there for 30 or 60 days. If you leave the container there without collecting it, the KPA personnel will not do anything. You are the one who is causing congestion at the KPA. As a result, there is no efficiency at the KPA, and changing the management will not solve anything. The Government should first focus on the infrastructure. The road from Mombasa to Nairobi is impassable. The Kenya Railways Corporation wagons are not enough to carry those containers from the KPA in Mombasa to Nairobi. Why then are they complaining that the terminal is the cause of this problem? You will always change the management of the KPA, but you will not solve anything.

Mr. Temporary Deputy Speaker, Sir, I want to register my anger at the privatisation of the KPA's terminal. It has no blessings from Coast people. Leaders from that area should be consulted and briefed on why this is happening. Hon. Members of Parliament ought to go to all parts of the country to familiarise themselves with many issues. There is not enough money allocated in the Budget for the hon. Members to go round this country and see what is happening in some areas, so that when an hon. Member speaks about something in this House he or she is conversant with the issue.

With those few remarks, I beg to support.

**Mr. Samoei:** Mr. Temporary Deputy Speaker, Sir, I support the Budget the Minister for Finance put forward for Kenyans this year. For the first time, the Minister for Finance called a spade a spade and not a big spoon. This is what we have been waiting for and this is what Kenyans need. There are many areas which the Minister for Finance addressed. I will just mention a few. The Budget being what it was, and what it will be, as presented by the Minister for Finance, needs our support and, to a great extent, the goodwill from the Government. This will enable the Minister for Finance to implement this Budget, which is to a great extent delicate because of the implications it will have on many Kenyans.

Mr. Temporary Speaker, Sir, the implementors of this Budget, who are civil servants, need a little "cushion" because the Minister for Finance withdrew a number of fringe benefits from them. It is impossible to implement such a delicate Budget if you do not have the support of the implementing personnel. The Minister should consider the morale of the personnel who are going to implement this Budget. I want to say that civil servants and other persons who will implement this Budget need to be encouraged to implement it effectively.

I welcome the waiver of the Presumptive Tax by the Minister for Finance. The Minister needs to look further because farming, apart from being an economic activity, plays a social function of feeding the nation. This is a very vital function, which is played by farmers. Farmers also need a waiver on income tax because they feed the nation. They further need encouragement.

Mr. Temporary Deputy Speaker, Sir, the Agricultural Finance Corporation (AFC) used to provide seasonal loans to farmers. But for all practical purposes, the AFC is a closed shop now. This is because the AFC cannot provide any form of assistance to the farmers. Yet, the Government has money to import cereals and grains duty-free. I would like to request the Minister for Finance that if there is any money set aside for the importation of maize or other cereals, it should be given to the AFC for onward lending to the farmers. This will enable the farmers to boost our local production of food crops, and other crops that are necessary to feed the nation.

Mr. Temporary Deputy Speaker, Sir, the Kenya Co-operative Creameries (KCC) pays to the Government Value Added Tax (VAT) to the tune of Kshs33 million on a monthly basis. But as we are talking now, the farmers who supply milk to the KCC are owed arrears money of five months. I would like to request the Minister for Finance to waive the VAT, even on the products that are used for packaging, and other materials that are used by KCC, and Unga Limited. This will enhance the process of feeding this nation.

Mr. Temporary Deputy Speaker, Sir, with regard to the teachers salaries, as much as mistakes have been committed in the past, to the extent that we are in a big problem now, we need to address this problem as a Kenyan society. This problem is daunting on all of us. As we are talking now, teachers expect the Government to pay their salaries which were awarded legally. The Government has an obligation to pay the salaries. It is incumbent upon us to realise that we have only one Government now. It is the same Government that pays the civil servants. The civil servants work as much as the teachers. As we are talking now, teachers earn much more than other civil servants who are on the same scale.

To avert a time bomb, we should either talk with the teachers or pay them. We should pay civil servants



the same salaries as the teachers, otherwise we will create a situation that will go out of hand very soon. This means that we will have to increase the salaries of all the civil servants across the board to match the salaries paid to the teachers. You can imagine the problems that we will have in this country, if we increase the salaries of all the civil servants by 200 per cent. Every hon. Member in this House should realise where we are driving this country to.

Despite the mistakes that were committed in the past, we need to look into this situation again. The bottom line is that are all Kenyans. I would like to reassure teachers that we need them. They have taught us in schools and teach our children too.

Mr. Temporary Deputy Speaker, Sir, even if it means reducing the salaries of Members of Parliament---

**Mr. Munyasia:** On a point of information, Mr. Temporary Deputy Speaker, Sir. May I inform hon. Samoei that teachers are not asking for a 200 per cent salary increase this year, but for only a 35 per cent salary increase.

**Mr. Samoei:** Mr. Temporary Deputy Speaker, Sir, the cumulative effect of all the increments that the teachers are asking for will be in the region of 150 to 200 per cent. We need to look into this issue again. Even if it means that salaries of Members of Parliament, the President and senior Government officials should be reduced by a certain percentage to show that we are committed to discussing the issue of salaries with the teachers, let us do it. This will show the teachers that we mean well. This will be necessary to solve the impending problem.

Thank you.

**Mrs. Mugo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I would like to congratulate the Minister for Finance for a Budget that never saw the prices of essential commodities going up. This was a well prepared and presented Budget.

However, I would like to say that the test of the Budget lies with the implementation and the goodwill of the Government, starting right from the top, from His Excellency the President all the way down. We need to have broad proposals translated into policies, which can be implemented to guide Kenyans for the coming months.

Unfortunately, there are serious doubts as to whether the Government is serious this time round, or whether it is another public relations piece of work. We have seen it in the past with the Kenya Anti-Corruption Authority and other authorities that have been created before. I am saying this because deep down in my heart I do not feel that the rest of the Cabinet is as committed as the Minister for Finance in the implementation of the Budget.

Already, I do not know how the Minister plans to balance the Budget. When he delivered the Budget, he informed us that extra Government cars used by Ministers and Permanent Secretaries should be surrendered immediately. But then after that, the Head of State came up and gave a two months deadline for the vehicles to be surrendered. This has already put the Budget off-balance. I think that unless the Executive stops to interfere with the implementation of the Budget, and lets the Ministers do their work, we will not go far. Unless the Ministers use the public vehicles for their private work, which I believe is not the case, there is no need for a two months' deadline to return the vehicles. Most Ministers have their private cars that they use for their private functions. Government vehicles should only be used for official work.

Mr. Temporary Deputy Speaker, Sir, the Kenyan people are ready to swallow the bitter pill of getting the economy back on the track. But they need reassurance that this situation will not be repeated in future, either by the current Government or by future Governments.

Mr. Temporary Deputy Speaker, Sir, I think the "cancer" of corruption in this country requires an "operation" to make sure that it is eradicated from our country. Covering it up will not help and we cannot make headway. We need to clean the "wounds" of corruption and then seek medication. I feel that there is need to arrest all the corrupt officials because they are known. If we allow these people to continue handling public money, how will Kenyans trust them not to misappropriate public funds once more? I feel strongly that the Minister for Finance should have recommended the prosecution of all those people because they are known. All those officers who have been mentioned over and over again in the Reports of the Controller and Auditor-General for misappropriating public funds should be removed from public office and never again should they be allowed to hold public office.

Mr. Temporary Deputy Speaker, Sir, I strongly feel that the recommendation made at the Mombasa Economic Forum of reducing the Cabinet to a manageable size, should have been the first priority before touching on anything else. In Kenya, we have about 27 Ministries while the USA has only 14 cabinet positions. Why should we need so many Cabinet Ministers to misappropriate public funds instead of putting this money where it is needed like in hospitals and other social amenities? I feel that Ministerial positions in Kenya are used to reward some individuals instead of giving them out to competent people who will serve the country. The teachers work very hard and cannot make ends meet because they are underpaid, so instead of targeting teachers' salaries,

the reduction should have started from the top bracket; the Ministers, the Permanent Secretaries, Heads of Departments, the parastatals Chief Executives and all those who have been responsible for the mess in this country. We are making the innocent citizens pay for the mistakes of the big fish. That is not correct.

Mr. Temporary Deputy Speaker, Sir, I would also like to touch on the Local Authorities. Whereas we are told that there is no economic growth, day in, day out, hawkers are being harassed in the City and their wares destroyed, and they are left with nothing at the end of the day. What Government is this that cannot let its own people improve the economy by promoting economic growth? It is the small sector that will help us. You will notice that it is always the big people who are being protected at the expense of the people who really matter. I congratulate the Mayor of Nairobi for assuring the public that the hawkers will not be harassed any more. I hope he lives up to his word because we have witnessed demolition of kiosks on a daily basis. I thought the Minister for Trade, hon. Kamotho, who is not here, will come to the aid of kiosk owners, because until recently, he was running one. I call upon this Government to start thinking about the people and strengthen the economy of this country. No matter how much revenue is collected, if that money is misappropriated, we will end up with nothing. If we are not looking after our people at the grassroots level, the kiosk owners, at the end of the day, we will not help this country.

At this juncture, Mr. Temporary Deputy Speaker, Sir, I would like to speak on the informal sector which is a major employer in this country, and where most women are concentrated. When we say that 47 per cent of Kenyans live under the poverty line, we are talking mainly about women because they dominate this sector. I would like to call upon the Minister that in the next mini-budget he prepares, he should create a body that will lend money to women traders so that we can empower that sector which is so important in feeding the nation. That also goes for the youth who are leaving school.

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

**Mr. M.A. Galgalo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. First, I would like to congratulate the Minister for Finance for having brought a balanced Budget that tells us very clearly that all is not well and we should tighten our belts and face the realities as they are. I believe that we have problems, some of them are natural while others are manmade. But I congratulate the Minister for coming out boldly and admitting that things have not been right. I think every leader in this country now admits that the economy was not being run properly. However, services to the people of this nation must continue. We are told that the Government is not going to initiate new development projects. Fine, we agree, but I have witnessed a lot of wastage in our expenditure.

Mr. Temporary Deputy Speaker, Sir, we were told here this afternoon that Turkana District receives 3,000 bags of maize every month which is equivalent to Kshs3 million. For 12 months the figure comes to Kshs36 million. It is not only Turkana District that receives famine relief food. I do not see the rationale in this. Should the Government make its people perpetual dependants on famine relief food? If that Kshs36 million was put into projects, it would assist the people of Turkana. The figure of Kshs36 million over ten years time, will accumulate to Kshs360 million. As we know, Turkana District has been relying on famine relief food since the colonial days. I hope the Minister for Agriculture is here. Is he sure that we are spending Kshs3 million every month on feeding Turkanas? How much is being spent in Mandera, Wajir, Garissa and Isiolo Districts? It is time that we became serious. It is not true that this much *mahindi* or that money is spent in Turkana or any of these arid districts. I consider that to be a wastage. We should not continue telling people that we are feeding them. If that is money that is coming from public coffers, then I think it is time that we went round and talked positively and said that we will put this money into projects that will assist the future generations in Turkana.

Mr. Temporary Deputy Speaker, Sir, as we are talking, I understand that there is some money set aside to solve part of these social dimensions. For example, there is the Arid Resource Management Programme for which Kshs9.7 billion has been set aside. We have spent billions of shillings under the pretext of feeding these people and yet we have big national projects that also cost millions which have gone under because of mismanagement.

I think it is high time that we became serious about what we intend to do for the people of this country and what we intend to do as a nation. What is needed now is the rehabilitation of projects such as the Bura Irrigation Scheme. In Bura, the Government with the assistance of the European Union has spent Kshs6 billion. The running of that project did not last ten years. It has collapsed completely and yet the Government has collected people from all parts of this country to settle them there with the hope that they will make ends meet, but now that project is no more. So, we have increased the number of hungry people. We have settled over 10,000 people. Now, they have multiplied. They are over 30,000 and now we are depending on famine relief food again. We do not have to create clusters of beggars all over the country. Therefore, this money spend on famine relief instead should be used to rehabilitate some of these important projects which make people get employment.

Mr. Temporary Deputy Speaker, Sir, my other point is about land tenure. Nearly three quarters of this

country have been adjudicated. Most people live at the mercy of the Commissioner of Lands. The President's Office, in allocating people pieces of land, says: "Look, I now consider you worthy, take this plot. Even when that is done, there are other powers in between who block this exercise. I would not like to mention names, but it has happened. There are some people in Tana River District, who were allocated plots but there are certain individuals in big offices here who are saying: "No, you cannot get it". So, we are still pushing people to poverty and that is what we are fighting against. I think it is time that we became serious.

Mr. Temporary Deputy Speaker, we were talking about teachers' salaries. All of us have children here who go to school. We would not like them to lose a day of their studies. There are people who sat down and personally negotiated for these salaries. However, the truth is that there is no money to pay them. Let us not push them to go on strike because that will not assist this country. As leaders who sit here, we must be serious. We should not misguide this nation. We must not misguide workers. I respect the Minister for Finance because he was bold to come out and say: "Look, there is no money". So, to me that renegotiations also includes extending the period to cover that 200 per cent salary increase, if I understand it correctly. However, what ever it is, as leaders we must be serious. We should not urge people to cause chaos. I think, in my opinion, we need to talk again. Whether we talk through inter-parties, COTU, workers union or through the Ministry of Finance, we still need to renegotiate, talk and be serious this time round.

**An hon. Member:** But we have been serious in the past!

**Mr. M. A. Galgalo:** Yes, the Ministry has not been very serious. Now, we have become serious. There was some doubts as to whether the Ministry was serious.

Mr. Temporary Deputy Speaker, Sir, whenever we talk about agriculture, we concentrate on tea, pyrethrum, coffee and cotton and at the same time forget that livestock development also comes under the Ministry of Agriculture. We agreed on this at the Mbagathi forum, but nobody has talked about it. We heard the Minister talk about it, yet nobody has talked about it. This is a very serious sector which needs to be incorporated into the Budget in future.

Mr. Temporary Deputy Speaker, Sir, lastly, we should say that we must be Africans. We must maintain our identity. In fact, I wanted to talk to our gracious ladies who are now Members of Parliament about the issue of marital rape. They should understand that that is against the African culture.

With those few remarks, I support.

**Mr. Odoyo:** Thank you, Mr. Temporary Deputy Speaker, Sir. The Budget this year does not concentrate adequately on the production sectors of the economy. I particularly wish to comment on what I am going to call Land/Agricultural Tax.

Mr. Temporary Deputy Speaker, Sir, we have many people in Government holding thousands of acres of prime land in productive areas like Kitale, which they do not develop. While this land is not costing the individual anything, it is costing the economy a lot. I would like to propose that the Ministry of Finance should consider taxing those who hold large tracts of agricultural land that they are not developing, because they are costing the Kenyan economy something. These people have been given free land, they want to stay in Government for twenty years, they are not cultivating the land and they are holding it fallow, so that when they retire, they hope to cultivate it. They should be taxed if they do not develop their land. If I hold 50 acres of land and I do not cultivate it for ten years, the country will have lost a substantial amount of money. I would like to propose to the Minister for Finance to investigate the possibility of implementing a tax on land owners who have no interest in cultivating it for agricultural production. We need food and raw materials, but we are importing them, because we are not cultivating our land.

Turning to the Public Sector Reform Programme, the Government is laying off many people. You find a situation where they are not preparing the public sector people who are retiring. You just get a letter advising you that; "as from next month you will be retired," in public interest or any other interest. I would like to request the Minister for Finance to consider setting aside a substantial part of the Public Sector Reform Programme funds and use these funds to train those who are about to retire. I have known many senior civil servants who take two or three years after retirement and they die, yet they could still contribute substantially to the economy.

Mr. Temporary Deputy Speaker, Sir, on the question of teachers, I would like to say that, while we are aware the Government has no money, we are also aware that the Government should not be let off easily. The Ministry of Finance disapproved an agreement with the teachers towards the end of last year. But due to political considerations, they agreed. Now, after the achievement of that political objective, they want to renege. I would like to propose that 35 per cent is not very substantial and should they wish to re-negotiate, the modalities of the negotiations should be based on a contract. If you agree to pay, you should seriously consider if you are able to pay. If the Government is unable to pay, it should sit down with the teachers with a view to either extending the period

or agreeing to a lesser percentage. But the arm-twisting tactics that the Government is proposing to use implies that the Government is prepared to lose credibility with all the public sector people.

On the Local Government Reform Programme, all the proposals by the Minister for Finance will come to no good unless the Local Government Act is amended. Therefore, I would like to propose that, that should be the priority of the Attorney General. I notice that the Road Maintenance Levy, however substantial it is, only a small portion of it is spent on maintenance. In fact, we are spending less. In my opinion, less than five per cent of the road maintenance levy is being spent on maintaining roads. I wish to propose that the maintenance of our roads should as much as possible, take over 20 per cent of our total income.

Mr. Temporary Deputy Speaker, Sir, looking at the various proposals forwarded by the Minister, especially on the cost cutting, I would like to reiterate what has been said by fellow Members of Parliament that the Ministries should be reduced to 18 from the existing number of 27. Reduction of the Ministries will enable us to make savings in the public sector, to the tune of about Kshs100 million.

Mr. Speaker, Sir, turning to the Ministry of Energy, I notice with concern that the Minister for Finance has excluded the Sondu Miriu Hydro-Electric Project, whereas the project would cost the Government Kshs3.5 billion and was due to be started during this fiscal year. He has referred to Kipevu and other new projects in Eldoret and Nakuru. He has not identified the owners of those projects. I would like to request, through the Chair, that in the next stage of debate on the allocations for Ministries, we devote a substantial part of the debate to the Ministry of Finance. The Ministry of Finance has got proposals on the pension schemes. The liberalisation of the pension scheme is moving too slowly. I believe that the Minister for Finance should open up so that all employers are not obligated to pay to the National Social Security Fund (NSSF), except by choice. Only the public sector employees should pay directly to the NSSF and those others should be given the option of having private pension schemes, since we already have a new pensions authority that will monitor them.

Mr. Temporary Deputy Speaker, Sir, when it comes to privatisation, the empowerment of the local farmers that was mentioned by my colleague, hon. Omamo, at Mbagathi were totally ignored. They intend to sell Chemelil and Mumias Sugar Factories in the stock exchange. Why are we not offering shares to the farmers? If farmers in Muhoroni are unable to buy, why do we not offer to farmers in South Nyanza, Mumias, Kitale or Uasin Gishu? This is because I believe that agricultural processing plants should be in the hands of farmers--- The immediate or secondary farmers. I would, therefore, like to request through the Chair that the Minister reviews the strategy of selling agricultural processing plants in Kenya Tea Development Authority (KTDA) and also in the sugar processing factories, with a view to selling them or offering them first, to the farmers' groups. In Mumias, they have already collected a substantial part of money.

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

**The Assistant Minister for Environmental Conservation** (Mr. Maiz): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on the Budget speech. It is my first time to speak in this House, other than being on a point of order. This being my maiden speech I would like to talk about my Constituency.

First and foremost, I would like to thank the people of Eldoret South for electing me to this House. Secondly, I would like to support the Budget as presented by the Minister for Finance. It is a unique Budget because it does not levy taxes on cigarettes and beer as was the practice with other Budgets presented in this House. The Minister outlined taxation measures which are good for this country.

Mr. Temporary Deputy Speaker, Sir, high taxes in a country usually lead to hoarding of goods. If the prices of goods are very high there can be a lot of smuggling in the country. To minimize hoarding of goods we should reduce taxes on them. I thank the Minister for not levying taxes on sugar, tea, soap and petrol. This will relieve low income earners from a heavy taxation burden.

Mr. Temporary Deputy Speaker, Sir, the main problem facing this country is the stagnation of economic growth. It has been caused by high population increase, inefficiency and corruption in the public sector. As an Assistant Minister in this Government, I feel that we should seriously talk about corruption, and put in place measures that can help us to curb it, if the economy has to be revamped. We should not shy away from addressing corruption and its effects on the economy. We must practice accountability, efficiency and transparency in order to refurbish the economy.

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

*The Temporary Deputy speaker  
(Mr. Musila) resumed the Chair]*

Mr. Temporary Deputy Speaker, Sir, I have a lot of problems as far as the Ministry of Agriculture is concerned in this Budget. I represent an agricultural area and I know that growing of crops is not subsidized. Livestock farming is not fully addressed by the Minister of Agriculture. Agricultural extension officers in the Ministry of Agriculture do not provide good service to the farmers. I would suggest that instead of the Government retrenching teachers, it should reduce or get rid of agricultural extension officers in the Ministry of Agriculture because they do not do their work efficiently. For example, in my Constituency, when farmers are planting wheat, maize or breeding cattle, they are not advised by those officers. So, instead of retrenching teachers, who render good services to this country, the Government should reduce the number of agricultural extension officers. There is no point of having agricultural extension officers at the district level and yet they do not render services to farmers as expected.

In my Constituency there are more than 40,000 acres of land for East African Tanning and Extract Company (EATEC). At the eve of Independence we thought that the colonial Government would have given our people that land, but because of the policy of willing-buyer, willing-seller we have so many squatters in Eldoret South. If the company is not willing to sell this land to Africans then they can let them buy shares from the company.

The company does not provide good houses for its workers. Workers at EATEC farms do not have good sanitation and shelter. They work under very pathetic conditions. Most of the houses in those farms were built during the colonial era and they have never been renovated since then. It is our hope that the company will improve the sanitation and build good houses for their workers. The company should also sell shares to workers in order for them to own the company because we are now an independent country.

Mr. Temporary Deputy Speaker, Sir, roads in Eldoret South are in a pathetic condition. The Kesses to Lessos Road, which was earmarked for tarmacking, has not been tarmacked. It was gravelled and left without tarmac. So, the officer who misappropriated the funds should be made to refund it so that it can be used to tarmac the road. Let us be serious in our war against corruption. If a project had been budgeted for, it should be completed before we start a new one. There is a lot of corruption going on in road construction in this country. Most of the roads in this country are in a bad condition.

Mr. Temporary Deputy Speaker, Sir, Kenyans should be told the criterion used by the Government in allocating funds to districts which were hit by the *El Nino* induced floods. All of us in this House should sit together and decide which districts should benefit from the emergency fund. The Government should not allocate money or solicit it from donors in order to benefit a few districts.

With those few remarks, Mr. Temporary Deputy Speaker, Sir, I beg to support the Budget.

**Mr. Ndwiga:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to say a few things on the Budget speech as presented by the Minister for Finance. The Budget was quite daring because it had good proposals. The Minister knows very well that there is no money to support those proposals. It is daring and it has been lauded by everybody. However, Kenyans are skeptical about its implementation. Most of the people who have wrecked the economy of this country are in the Front Bench of this House. The "hyaenas" who have wrecked the economy of this country are in the Front Bench of this House.

Mr. Temporary Deputy Speaker, Sir, the Public Accounts Committee---

**The Minister for Lands and Settlement** (Mr. Ngala): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Member in order to call some hon. Members of this House hyaenas? The Member is saying that there are hyaenas in this House. Could he point out one such hyaena?

**Mr. Ndwiga:** Mr. Temporary Deputy Speaker, Sir, that is not difficult. I really do not wish to engage the hon. Minister in a "war". I want to contribute to the Motion.

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Ndwiga! I think you will agree with me that calling hon. Members or other people hyaenas is unparliamentary. Therefore, I ask you to withdraw that remark and apologise.

**Mr. Ndwiga:** Mr. Temporary Deputy Speaker, Sir, because I intend to contribute to the Motion, I withdraw, but the jackals---

**An hon. Member:** You withdraw and apologise!

**The Temporary Deputy Speaker** (Mr. Musila): Order!

**Mr. Ndwiga:** I withdraw and apologise to the "hyaenas".

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Ndwiga! You did withdraw and apologise, then you reinstated the insult. Therefore, would you now, please, withdraw, apologise and proceed?

**Mr. Ndwiga:** Mr. Temporary Deputy Speaker, Sir, I withdraw and apologise, but the record is there.

Mr. Temporary Deputy Speaker, Sir, a lot has been said in this House about where the Minister for Finance will get the money to fund the Budget. Scepticism arises from the fact that the Minister knows very well where money is. He knows that if he gets the "big fish" who have their money invested in Treasury Bills, he will find quite a chunk of the money he needs. These people are reaping huge profits in interest rates from these Bills.

In the past, we have said in this House that the Government, if it is serious, ought to have concentrated its efforts in areas where its money comes from. But we have been told all along, especially in the last Parliament, that politically-correct areas benefit more. The scenario has been that if you vote for *Nyayo* you get *maendeleo*. What happened as a result of this attitude is that the country is now wrecked. This Government wrecked and completely ruined its sources of income and now they are crying: "Where do we get money to pay teachers?" But they are the ones who have wrecked the economy. We said time and again in this House that the country was losing a lot of tea. For example, we are no longer getting anything from tea factories. Each year we lose the equivalent of 50 per cent of the Gross Domestic Product (GDP) in terms of wasted tea because we neither have the factories nor the infrastructure. It is hypocritical for people to talk about renegotiating the teachers' salary increment. It is simply immoral to do that! How can a serious Government---

Remember, on the day this pay hike was promised to teachers at State House, Kabarak, the Kenya National Union of Teachers (KNUT) Secretary General, Mr. Ambrose Adongo, appeared before the Kenya Broadcasting Corporation (KBC) television cameras, singing how wonderful and great the President was! And we warned him to be careful whenever he dealt with the Government; and that he should not start singing too early. But he sung too early and, now, what is happening? The same fellows for whom the teachers composed praise songs, have now called upon KANU MPs to support renegotiation of teachers' salaries. Any hon. Member who will dare support renegotiation of the teachers' salary increment will never make it to this House again.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, teachers must be paid what they were promised. We are asking the Government to be serious. A serious Government does not play around with its citizens who are the tax payers. The Government called the teachers for a meeting where they came with a praise song, and gave them a 200 per cent salary increment because the elections were around the corner!

I have been told that this Government thought that it would lose in the last general elections. So, they wanted to leave the burden of paying the huge salary increment to somebody else, but this did not happen and there you are! You did whatever you did during the elections. Now, *msalaba uko hapa. Muubebe na muubebe pole pole. Musilie; ubebeni pole pole kwa sababu msalaba ni wenu.*

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

**Mr. Ndwigwa:** Mr. Temporary Deputy Speaker, Sir, my time is running out and I wish to continue.

**Mr. Munyasia:** Since you are my hon. friend, let me not interrupt you.

**Mr. Ndwigwa:** Thank you for that consideration.

Mr. Temporary Deputy Speaker, Sir, we are talking about where the Government will find money. In the current Estimates the Nyayo Tea Zones Corporation has been allocated money by the Exchequer. This Corporation has been funded by the Exchequer for as long as I can remember. The peasant farmer who planted his tea when the Nyayo Tea Zones were founded is today being asked to pay taxes. Why is it that the Kenyan taxpayer is being asked to continue funding Nyayo Tea Zones? There is no project going by the prefix "Nyayo" which is on its feet today. I am advising the Minister for Finance that if he wants to be taken seriously by Kenyans, he should immediately sell the Nyayo Tea Zones to local people wherever they are situated in this country. He must do that if he wants to get support from Kenyans. Nyayo Tea Zones is a guzzler of public funds. If these zones are sold to local people, the Government will be able to raise funds to make this nation more productive. So, we do not want to be told that the Government does not have enough funds to finance the Budget; we are telling the Government where the money is and it had better listen to what we are saying.

Mr. Temporary Deputy Speaker, Sir, fortunately this time, the Government has a crop of Ministers whom one can trust, except for one or two. I do not want to name any one because the Leader of Government Business is looking at me but I will tell him that privately. But surely, in every bag of potatoes, there are a few rotten ones.

Today, we have a crop of Ministers who look like and behave like Ministers, unlike in the previous House. But we have a problem when it comes to implementation of matters passed by this House. It is not these Ministers who do that. These things are done by a "Kitchen Cabinet" and the rest of the Ministers hear over the radio that this or that has happened. To demonstrate what I am saying, recently, the Minister for Finance ordered all civil servants to hand in their extra vehicles immediately but the President, while addressing school children somewhere, gave the officers concerned 60 days. We want our Ministers to be given responsibilities of Ministers

so that when we are talking to Ministers, we know that we are talking to people with authority.

Mr. Temporary Deputy Speaker, Sir, this Government is a lucky one. All of a sudden, it has found a perfect excuse for its failure to deliver to the people. They have found a scape-goat in the *El Nino*. The lack of medicine in hospitals and failure to pay teachers' salaries is blamed on the *El Nino*. This *El Nino* business is a mere scape-goat for all the ills committed by this Government. When the Government finally yielded to our demands that the roads in this country must be recarpeted, it awarded tenders to the same corrupt contractors who have been recarpeting roads in this country. When those roads will be worn out next year, the Government will blame it on the *El Nino* rains.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**The Assistant Minister for Home Affairs, National Heritage, Culture and Social Services** (Mr. Marrimoi): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the Budget Speech and I commend the Minister for Finance's proposals, because the Budget was well balanced. If the Budget is implemented, it will serve all of us and the country. We need funds to support our infrastructure like roads and other services. I congratulate the Minister for Finance because there is hope that we shall have funds.

For example, my constituency was hit very hard by the *El Nino* induced rains, which destroyed our roads.

**An hon. Member:** Which ones?

**The Assistant Minister for Home Affairs, National Heritage, Culture and Social Services** (Mr. Marrimoi): Mr. Temporary Deputy Speaker, Sir, we have no roads but furrows in Marakwet East. Marakwet East Constituency is having a lot of furrows because we were hit very hard by the *El Nino* weather phenomenon. Unlike the hon. Member who has been speaking ahead of me here, and who talked about the *El Nino* effects, it is true that we were really affected and we need funds. That is why I am supporting the Budget which was well balanced. We need money to use for irrigation purposes and also to enable us carry on with our activities.

Mr. Temporary Deputy Speaker, Sir, people talk ill of Eldoret Airport which is an asset within an agricultural area. We really need that facility. Marakwet alone, given the infrastructure, will serve that Airport by exporting all kinds of horticultural crops required worldwide. Eldoret Airport is an asset which is very useful to Western Kenya at large. Let us accept the reality. All cargo planes could land in Eldoret Airport and within no time, we shall be having the dollar which is required now. We need infrastructural facilities like a railway line. There was a railway line which was proposed to serve the Kerio Valley region.

Mr. Temporary Deputy Speaker, Sir, we have so many resources which have not been tapped yet. We have hydro-electric power because of plenty of rivers and the nature of the land. We have mines and marbles, to mention but a few. We also have livestock products like meat. We would export these products to other countries. If that happens we would achieve our aims and we would have enough funds and then these other issues of talking ill about the Government would not help. Let us all support this Budget. We have a promising future, therefore, all of us from both sides of the House should support the Minister for Finance's efforts.

Let us not try to talk a lot; let us talk less and work as a team. Cooperation is very important and it is the way forward. I support it myself, because I know we shall have less opposition talking ill of the Government and this country. Even things which are good for this country are badly talked about. We have to join our hands together for the sake of this country. There is nobody who will come from abroad to assist us other than ourselves. People who talk loudly travel abroad and talk ill of this country saying: "do not give funds" But we require these funds. All in all, we have to support this Budget because I know there is hope. So, cooperation is the way forward and, we have to cooperate for the sake of this country, to ensure that we preserve this nation.

Mr. Temporary Deputy Speaker, Sir, if security of this country is maintained, we would have a very peaceful country and resuscitate tourism which was one of the main sources of our economy. We should support the Government's efforts to ensure that our country is secure. There was a time when I did not have strength when there was insecurity in my constituency. But now I have strength to talk because the Government has ensured that there is security and ample peace in that area. I wish all Members of Parliament would support the Government's efforts in ensuring that we have peace in our country.

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

**Mr. Khamasi:** Thank you, Mr. Temporary Deputy Speaker, Sir. I have a few comments to make on the Budget Speech presented by the Minister for Finance. One issue I would like to deal with is security. The Minister clearly said that he would like to see the security of this country improved. I would like to thank him for that, because peace is a prime requisite for any development. It is very surprising when we do not deal very seriously with the security of this country, particularly when people who are manning the security agencies are themselves killed. This has happened at the Coast Province and elsewhere. One wonders where we are heading to. It is my contention that this must stop. If it is not stopped, we cannot be able to attract investors into the country.

This is also happening in places like Trans-Nzoia, where cattle rustling is taking place and people

continue to live in fear.

Mr. Temporary Deputy Speaker, Sir, I would also like to say something about improving the delivery of economic public service, for example, power. Electricity is a very important component for any development. If we have a situation whereby even the industrial sector is not getting sufficient electricity to produce whatever they produce, then, we need to look into that area more critically to make sure that it is improved to be able to attract industrialists in this country and improve economic growth.

Mr. Temporary Deputy Speaker, Sir, as regards infrastructure, I would like to point out that it is on the awarding of tenders in this country that we have problems.

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Musila): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 24th June, at 9.00 a.m.

The House rose at 6.30 p.m.