

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 24th June, 1998

The House met at 9.00 a.m.

[Mr. Speaker in the Chair]

PRAYERS

NOTICE OF MOTION

ESTABLISHMENT OF PARLIAMENTARY
SERVICE COMMISSION

Mr. Oloo-Aringo: Mr. Speaker, Sir I beg to give notice of the following Motion:-
THAT in order to promote and consolidate the dignity, independence and supremacy of Parliament, this House urges the Government to take immediate steps, including the introduction of necessary constitutional amendments, to establish a Parliamentary Service Commission which shall be directly responsible to the National Assembly.

ORAL ANSWERS TO QUESTIONS

Question No. 014

DISPOSAL OF ADC FARMS

Dr. Kituyi asked the Minister of State, Office of the President:-

(a) what the criteria was, upon which the Government prioritizes interested people in the sale of ADC farms; and,

(b) if the Minister was satisfied that this criteria has been followed in the disposal of ADC farms.

Mr. Speaker: Any Minister from the Office of the President? We will come back to that later. Next Question! Mr. Gatabaki!

Question No. 114

REGISTRATION OF STOCK BROKERAGES

Mr. Gatabaki is not here? Next Question! Mr. Mahamud!

Question No. 349

EXPANSION OF WAJIR DISTRICT HOSPITAL

Mr. Mahamud asked the Minister for Health:-

(a) if he was aware that Wajir District Hospital built in 1944 has only two wards with a bed capacity of 36 and that the hospital lacks a mortuary, children and recovery wards, among other facilities;

(b) if the answer to "a" above is in the affirmative, what plans the Minister had to expand the hospital and provide these essential facilities; and,

(c) considering the remoteness of the area served by the hospital, if the Minister could provide an ambulance and rehabilitate other hospital vehicles.

Mr. Speaker: Is there anybody from the Ministry of Health? We will come back to this Question later.

Next Question, Mr. Kathangu!

Question No. 183

MORTUARY FOR RUNYENJES DISTRICT HOSPITAL

Mr. Kathangu asked the Minister for Health:-

- (a) if he was aware that Runyenjes District Hospital lacks a mortuary; and,
- (b) when the Ministry would put up a mortuary for the hospital.

Mr. Speaker: Is there anybody from the Ministry of Health? Next Question, Mr. N. Nyagah.

Question No. 090

CONSTRUCTION OF FOOT-BRIDGE

Mr. Nyagah asked the Minister for Local Authorities:-

- (a) if he was aware that Kiambui and Kijiji villages (near Buru Buru Phase I) were once connected by a bridge across Nairobi River that has collapsed;
- (b) how much it would cost to construct this vital foot-bridge; and,
- (c) what plans there were to construct a foot-bridge between the two slums.

The Minister for Local Authorities (Prof. Ongeru): Mr. Speaker, Sir, I beg to reply.

- (a) Yes, I am aware.
- (b) It will cost Kshs1.5 million to construct a permanent foot-bridge to link Kiambui and Kijiji villages and other neighbouring estates.
- (c) Work on the foot-bridge is already in progress at the city council highway depot. The fabricated structure will be erected as soon as it is completed.

Mr. N. Nyagah: Mr. Speaker, Sir, what else can one say about an answer like that coming from a Minister? I say: "Thank you". There are 10,000 members in Kijiji and Kiambui and they are charged five shillings each. They have 500 children going to school. I was there on Sunday. I thought his answer would be that, they are already constructing it. The Minister says that they are doing the construction at the depot. I thank the Minister for that. My last Question is: How long will the foot-bridge take to be completed, so that people can have free movement?

Prof. Ongeru: Mr. Speaker, Sir, I would like to thank the hon. N. Nyagah for the sentiments he has expressed. I assure him that my Ministry is fully aware of the plight of those who are staying in the neighbourhood of that area, particularly, Eastleigh and the areas across in Uhuru, Kimathi, Jericho and Jerusalem estates. Coming specifically to his Question as to how long it will take, I wish to assure the hon. Member that I have also checked about the issue this morning. I have been told that it takes about four weeks. They have already identified the site where those steel structures should be placed. They will be moving on site and it takes about four weeks for the cement to mature, before they can be able to place the steel structures on it in order to secure a good bridge for the common use of Kenyans in that area.

Thank you.

Mr. Speaker: For the second round, Dr. Kituyi!

Dr. Kituyi: For an unnecessary second round I beg to ask Question No. 014. This is because it is inevitable, that the Minister who has given a ridiculous answer will keep away until this Question has been suspended.

Question No. 014

DISPOSAL OF ADC FARMS

Dr. Kituyi asked the Minister of State, Office of the President:-

- (a) what the criteria was, upon which the Government prioritizes interested people in the sale of ADC farms; and,
- (b) if the Minister was satisfied that this criteria has been followed in the disposal of ADC farms.

Mr. Speaker: Is there anybody from the Office of the President to answer? I defer the Question.

(Question deferred)

Mr. Gatabaki's Question, for the second time!

Question No. 114

REGISTRATION OF STOCK BROKERAGES

Since Mr. Gatabaki is not here, his Question is dropped.

(Question dropped)

For the second time, Mr. Mahamud's Question.

Question No. 349

EXPANSION OF WAJIR DISTRICT HOSPITAL

Mr. Mahamud asked the Minister for Health:-

- (a) if he was aware that Wajir District Hospital built in 1944 has only two wards with a bed capacity of 36 and that the hospital lacks a mortuary, children and recovery wards among other facilities;
- (b) if the answer to "a" above is in the affirmative, what plans the Minister had to expand the hospital and provide these essential facilities; and,
- (c) considering the remoteness of the area served by the hospital, if the Minister could provide an ambulance and rehabilitate other hospital vehicles.

Mr. Speaker: Is there anybody from the Ministry of Health? This Question is deferred.

(Question deferred)

For the second time, Mr. Kathangu.

Question No. 183

MORTUARY FOR RUNYENJES DISTRICT HOSPITAL

Mr. Kathangu asked the Minister for Health:-

- (a) if he was aware that Runyenjes District Hospital lacks a mortuary; and,
- (b) when the Ministry would put up a mortuary for the hospital.

Mr. Speaker: The Minister for Health is not present! the Question is deferred.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. Hon. Criticos was just outside here with me. He has told me that he is waiting for the two answers to these Questions. He is just outside there.

Mr. Speaker: Mr. Ndicho, I am sure you appreciate that I cannot be here and at the lobby at same time. As for now, I am here. Question deferred.

QUESTION BY PRIVATE NOTICE

CLOSURE OF SCHOOLS IN JARAJILLA DIVISION

Mr. Shill: Mr. Speaker, Sir, I beg to ask the Minister for Education and Human Resource Development the following Question by Private Notice.

- (a) Is the Minister aware that all schools in Jarajilla Division have been closed due to insecurity?
- (b) If the answer to "a" is in the affirmative, what measures is the Minister taking to ensure that the schools are re-opened as a matter of urgency?

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Speaker,

Sir, may I seek your indulgence and ask that, the Question be deferred until tomorrow afternoon when I will be able to answer it.

Mr. Speaker: Mr. Shill, do you want to react to that?

Mr. Shill: Yes, Mr. Speaker, Sir. This is a serious Question because schools in the whole division are closed up to now, and last week, the Question was deferred to this week and hon. Musyoka had the answer. So, I would like this Question to be brought up this afternoon and answers be provided.

Mr. Speaker: I am sorry, you cannot do that. Order! The Order Papers are already out. We do not transact any business outside the Order Paper, Mr. Shill. So, I will put it on the Order Paper tomorrow and order that the Minister should answer it tomorrow.

Next Order.

(Several hon. Members stood up in their places)

Mr. Speaker: Order! Who was the first?

An hon. Member: The old man!

Mr. Speaker: Who is he?

Mr. Achola: On a point of order, Mr. Speaker, Sir. Last Wednesday, we were exactly in a similar situation like we are in, this morning; with Ministers not being in the House to answer Members' questions and you gave a very stern warning to them. Apparently, they have just ignored your orders. What are you going to do about this, Mr. Speaker?

Mr. Speaker: Order! Order! I think, to be fair, Mr. Achola Owino, you must always be very fair. Do not ever misquote Mr. Speaker. Last Wednesday, I warned the whole House, because the Front Bench and the Backbenchers were not present. I warned the whole House that the Members must take the business of the House very seriously. How does it happen that Mr. Speaker is never held back by a jam, or a puncture, or whatever other cause? Mr. Speaker is also human. I take my business seriously. Every other Member of this House must do the same.

(Mr. Criticos walked into the House)

May I warn that, as you demand action from the Speaker on the Front Bench, we shall then contemplate what to do. Members of the Back Bench also, must take seriously their responsibility of coming to ask their Questions every Wednesday, or every other day. When a Member is late, then I am forced again to bring back that Question to the House which unnecessarily loads the time table for the House. I may also contemplate that, if you are late for no particular reason, I may not be inclined to reinstate a Question that has been dropped. On that, I have not made up my mind; I am not making that ruling. I am just warning the House generally. So, will you all stand warned? We are all paid to come here to transact business of the Kenya National Assembly.

Thank you.

Mr. Obwocha: On a point of order, Mr. Speaker, Sir. In pursuant to your ruling, the Assistant Minister for Health has just walked in when the critical time has gone.

(Laughter)

I can see hon. Criticos is laughing here. He should be warned specifically. This is because from the Opposition, or from the Back Bench, 80 per cent of the hon. Members were there. It is only hon. Gatabaki, who feared Nyachae, and both of them are absent.

Mr. Speaker: Well, I may be tempted now to agree with hon. Ndicho that, indeed, he did see the hon. Criticos outside. Since Mr. Criticos has raised a crisis, you better as my very good neighbour, just watch out when I am leaving, to leave with me.

The Assistant Minister Health (Mr. Criticos): On a point of order, Mr. Speaker, Sir. I have been here since 8.40 a.m. when I left the Ministry offices. I had not realised that the Minister had not signed the answers to the Questions and he left last night for Cuba. So, when I went back, I found that my staff at the Ministry had brought the answers which we had gone through with the Minister to the House. So, therefore, they had to be signed and photocopied and distributed. Therefore, I did not have the papers because, instead of the officer from the Ministry coming in front to give the answer, he was sitting over there with the answers which were picked by hon. Keah and brought to me. So, I must sincerely apologize.

The Assistant Minister, Office of the President (Mr. Angwenyi): On a point of order, Mr. Speaker, Sir. I also want to apologize for the Office of the President. I came in, but I did not know how to get in through the back doors, until I got the Chief Whip who showed me how to get in. Otherwise, I would have been here on time to answer Dr. Kituyi's Question.

Mr. Speaker: Order! What were you doing, entering the House from the back door?

(Laughter)

The Assistant Minister, Office of the President (Mr. Angwenyi): I was coming from the Office of the President but---

Mr. Speaker: Order! You are allowed to enter the House from the front, not from the back door! In any case, I think what it boils down to is this: I do not think that Members really take seriously, the business of the House. I have had twice, last week and this week, to warn Ministers to take seriously, the business of the House. I think it is about time that Ministers and their civil servants understood very clearly, that Parliament is not a nuisance they must live with. They are employed to serve this National Assembly.

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

Mr. Speaker: No more now! Well, maybe we have a little time to allow Members to come in. What is it Dr. Kituyi?

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. Considering the precedent that has been set before and now that, at least, two of the Ministers with the answers are here, could the Chair, at its discretion allow that the Questions for which the answers are available---

Mr. Speaker: Could you please, begin? I was doing consultation. I want to hear you.

Dr. Kituyi: Mr. Speaker, Sir, considering that there has been a precedent in this House before and given, the rare occasion that some answers have been brought, although it has been confirmed, they are a bit late, could the Chair consider using its discretion to allow the two Ministers who were finding problems entering the Chamber or finding written answers, to have the Question asked and answered now?

Mr. Speaker: May I just say this; it is a reasonable request, but I have already ordered that they be dropped, or deferred. Do you think that, it is in the interest of this House, that I should---

*(Mr. Nassir walked from one
Front Bench to the other)*

Order!

An hon. Member: Order, Nassir!

(Laughter)

Mr. Speaker: Do hon. Members think that it is in the interest of this House that I should bend backwards to accommodate Members who do not take their job seriously? I do not think I should do that.

An hon. Member: Just once!

Mr. Speaker: Order! Once will lead to a precedent. I do not want to create that precedent. I sympathise with those hon. Members who were present to ask their Questions and the Ministers who were not present. I do give an undertaking that those Questions will find their way into the Order Paper as soon as possible, which means tomorrow. So, that should be okay.

Very well, next Order.

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 11.6.98)

(Resumption of Debate interrupted on 23.6.98)

(Sixth Day of Budget Debate)

Mr. Khamasi: Mr. Speaker, Sir, I want to address the issue of corruption. The Minister was very careful in the use of words "reduce" and "eliminate". He said that he wanted to reduce corruption, not to eliminate it. The economic mess in which we are now has been caused by corruption, which has spoilt everything in our society. I think it is high time the Government addressed this issue seriously. It is useless speaking niceties when, in actual fact, nothing is being done to reduce corruption. We have the Anti-Corruption Authority in this country, which we hear very little about. Nobody seems to know whether it exists. If it does exist, we need to be told what its work is, because the---

Mr. Kajwang': On a point of information, Mr. Speaker, Sir. I want to inform hon. Khamasi that the Anti-Corruption Authority today entered City Hall and it is doing a good job.

An hon. Member: How do you know?

Mr. Kajwang': I read about it in the Press.

Mr. Khamasi: Mr. Speaker, Sir, I am yet to know what the Anti-Corruption Authority does because, if it was very active, everybody would know what it does. We need to do a lot without duplicating roles of various bodies. For example, we do not need police units in the Kenya Revenue Authority or in the Central Bank of Kenya if we have the Anti-Corruption Authority. We had this problem before in the Kenya Wildlife Service(KWS) and a certain person cleaned the mess within a short period. This is the sort of thing we want to happen in the Anti-Corruption Authority.

I would also like to address the question of teachers, which is a very popular debate these days. Teachers are the most underpaid civil servants in this country. They work the longest hours and yet, earn the least. The Government did actually promise the teachers that they were going to get their 200 per cent increment. They had budgeted for that money. The Government must now own up and say that they lied to teachers. Let them stand up and own to it. If not, it is my submission that the Government must bear the blame. They have got to pay teachers their salaries because we believe that whoever advised the Government, knew very well where this money was going to come from. It is not an accident that we are now saying that we do not know where the money was going to come from. The money must have been there and was budgeted for; what happened to it? The Government is not telling this country what has happened to the money. They have got to come out clean on this. Any Government that is worth respect, sometimes has to apologise to its people. We need the Government to stand up and say that they lied to this nation---

Mr. Speaker: Order, Mr. Khamasi! We do not use the word "lie" in this House. That is a foreign word. Can you withdraw that foreign word?

Mr. Khamasi: I withdraw and apologise but they told an untruth. They should be able to come out and apologise to this nation for telling it an untruth. During the Mbagathi Economic Forum, the Governor of the Central Bank of Kenya told us that if there is a will, we can eradicate corruption. The Minister for Finance also said that if there is a will, we can turn round the economy of this country. Now, this will is with the Government. They have the machinery and the authority to do that. They should use that authority to change the situation in this country.

With those few remarks, I support the Motion.

Mr. Nyang'wara: Thank you, Mr. Speaker, Sir, for giving me this chance to contribute to the Budget Speech. I first congratulate the Minister for Finance for preparing a good Budget. We only now request the authorities concerned---

Mr. Magara: On a point of order, Mr. Speaker, Sir. Is it in order for the Chair to call the hon. Member on the Floor Mr. Magara when he is Mr. Nyang'wara?

Mr. Speaker: Order! Order! Thou shall not attribute to Mr. Speaker anything that he has not said. In fact, I was about to ask the Member who he is. I just said, "That Member over there".

Mr. Nyang'wara: Mr. Speaker, Sir, on going through the Budget and what has been approved, I am surprised to note that there is no money which has been set aside for development projects in my constituency. In this regard, I ask the Minister for Finance to at least, allocate some money to my constituency.

There is a good number of teachers in my constituency who are not happy with the issue of renegotiating their salaries increment. My suggestion is that the renegotiation should be avoided completely. Instead, the

Government should look for ways and means of paying them to avoid a situation where teachers would resort to a strike at this time when our children are going through their examinations. If teachers go on strike, it means that our children will not get proper education. There are many ways of getting money to pay teachers, one of them being through the school fees that is paid in secondary schools. If the Minister for Education and Human Resource Development would consult with the administrators of secondary schools, they would organise for the school fees to be paid directly to the Ministry and this money would in turn be used to pay teachers' salaries because at the moment, this money has no use at all in those schools.

I am happy that the Minister has established positions of Financial Controllers in all Ministries who will now be under the Ministry of Finance.

Mr. Speaker, Sir, the Minister for Finance should be directly in charge of all the accounting units in the Government. For this reason, I am suggesting that all the accounting units in all departments be put under the Minister for Finance, so that they can be easily supervised by the Accountant-General. At the moment, most of the Accountants are answerable to their bosses, who at the same time end up misusing Government funds. Once these units are under the Ministry of Finance, it will be easy for the Accountant-General to supervise them and at the same time, they will fear to misappropriate Government funds.

Mr. Speaker, Sir, as concerns the education sector, the Minister for Finance told us that a Commission has been set up to look at the issue of education in this country. This is a very important Commission, and it needs competent people to look into the present system of education which has lost meaning. It is very expensive, students and pupils are over-loaded with so many subjects and in the end, we do not have good results.

Finally, let me take this opportunity to address some of the problems my area is facing at the moment. We do not have electricity and water in my constituency. Since Independence, no development has taken place in that area. I am asking the Government to look into all these problems, because, my constituency is part of Kenya.

Thank you, for giving me this chance. I beg to support the Motion.

Mr. Muite: Mr. Speaker, Sir, one sympathises a lot with the KANU Government as far as implementation of the reforms envisaged in the Budget is concerned. The sympathies arise from the realization that, although the measures announced by Mr. Nyachae are a step in the right direction, they do not go far enough. But even though those reforms do not go far enough in their present state, if this Government attempts to implement them on its own, it will come down. There is no way in which Kenyans are going to swallow the pains that are a direct consequence of those reforms quietly. They are not going to take it lying down. This Government alone, cannot implement those reforms. I will stand up here in six months time and repeat, that the Government has been unable to implement those reforms. Kenyans are being asked to tighten their belts and swallow very bitter medicine. Why should Kenyans swallow that medicine, when this is the Government that is responsible for the present economic crisis? Let us not make any mistake whatsoever. We are in the midst of a very grave economic crisis, and emphasis should be on how as a country, we are going to get out of that economic crisis.

Mr. Speaker, Sir, my submission is that, this Government cannot steer this country towards getting out of that economic crisis on its own. The solution is - and we are not canvassing for jobs - if they want Kenyans to endure the pain that is going to be brought by implementation of those economic reforms, there has to be in place a multi-sectoral commission, charged with the responsibility of implementation of those painful reforms. This Government must agree to the creation of a multi-sectoral commission. They must invite able people from the banking and insurance sectors, accountants, other professionals and the Opposition to be part and parcel of that implementation commission, so that people can see that it is everybody who is asking them to endure the pain of these economic reforms.

Mr. Speaker, Sir, when we say that we are prepared to help this Government get out of the economic crisis, it is not for the love of this Government: It is because our love for Kenya, our sisters, brothers and mothers is greater than anything else. So, we do not want to see this Government go down with the entire country. If it collapses, given the gravity of the economic crisis, it is going to collapse with the country. That is what we do not want to see happening. We want to see a recovery of the economy and at the same time, the State of Kenya remaining. Therefore, there must be a multi-sectoral commission charged with the duty of implementation of the economic reforms.

Mr. Speaker, Sir, I was disappointed that when the Budget was being presented, the Government did not appear to appreciate the nexus between the economy and the constitutional situation. We are not going to be able to resolve the economic crisis in isolation, unless we simultaneously address the constitutional crisis. The way forward for this nation is to set up that multi-sectoral commission to oversee implementation of the painful reforms, accompanied at the same time, by a multi-sectoral commission to oversee the constitutional reforms in this country. We should approach the matter in that manner, so that we have multi-sectoral commissions attending to the economy and constitutional reforms, forming a triangle. It is time that this Government began to

see the inevitable. You will need a government of national unity whether you like it or not. So, you need this triangle. You need commissions to oversee economic and constitutional reforms. Those two commissions should be answerable to a government of national unity. We are not looking for jobs, but we want to save this country. If that is not done, I dare this Government to try to implement these reforms that they are talking about.

Mr. Speaker, Sir, before August, bankers, teachers and everybody else will be on strike. Unless they give serious thoughts to what we are suggesting, come August or September, Kenyans will be back on the streets and Kamukunji grounds, asking this Government to go. We are trying to save your jobs. But the only way for you to save your jobs is to agree to this government of national unity. When that government of national unity is in place, we must lead by example. Leadership by example, is what this country wants. You cannot start asking teachers to accept the reduction of their salaries, before, for example, the President offers to reduce his salary. He must reduce his salary voluntarily. Leadership by example, is an action like that. Then he should ask his Ministers and Assistant Ministers to voluntarily reduce their salaries. Even Members of Parliament - I want to be very unpopular - must agree to reduce their salaries. But we cannot ask teachers to renegotiate their salaries when the least each one of us takes home is nearly Kshs80,000. This has to be cut down before we renegotiate teachers salaries. There may be a case for Permanent Secretaries or even Mr. Speaker. This is what is called leadership by example.

Government Ministries must also be reduced. We have to reduce the number of Ministries. The Mercedes Benz cars the Ministers drive should be sold to the private sector. This is what we call leadership by example. The Government should visit Marshals Company and order simple Peugeot vehicles for the Ministers. We will still recognise them as Ministers when they drive in Peugeot cars because they will have a flag. You do not become Ministers because you drive in huge Mercedes Benz vehicles. The Peugeot car should, in fact, be the official vehicle for these Ministers. When the teachers, who get small salaries, see the sort of vehicles that are driven by Permanent Secretaries, senior Government officials and heads of parastatals, and yet they are told to tighten their belts--- Why should they listen to us? If you ask Kenyans to tighten their belts when they see that you are loosening yours, because of the big stomach, they will not agree with you. They have nothing to tighten any more. If you attend public meetings addressed by some of us, you will see a very sharp contrast. I can see my friend, the Minister for Local Authorities shaking his head! The reality is that when you go to public meetings, you will discover that leaders' stomachs are big, while those of the people they address are drawn inside.

(Laughter)

We stand up on the podium to ask wananchi to tighten their belts, while their stomachs are already small. They will not agree. They do not get a square meal per day. Yet these are the people we are squeezing everyday. If we are going to carry the Kenyan people with us in the implementation of these reforms we must accept leadership by example. The leaders should be the first to surrender these privileges. We must get rid of them. It is the Government that must do that before asking Kenyans to tighten their belts.

Thank you, Mr. Speaker, Sir.

The Assistant Minister for Agriculture (Mr. Karauri): Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech. First, I wish to say that if we want to improve the economy of this country we must look at the question of food security. We should not import food from other countries. The amount of money used in importing food can be used in starting small irrigation schemes all over the country. This will enable us to have enough food for this country and for export. When we leave the farmers to struggle on their own, wait for the rains to fall or not fall at all, so that they can plant their crops, the economy will always be bad. In fact, other measures may not be sufficient when there is no food in the country. There should be cheap credit facilities availed to farmers. It is surprising that the Kenya Commercial Bank (KCB), which has branches all over the country, has the highest interest rates on the loans it gives to its customers. How do you expect people in the rural areas to benefit from these facilities that are offered by the KCB? Unfortunately, the bank which is closest to them charges highest interest rates on its loans.

Mr. Speaker, Sir, another way of assisting farmers is to have properly developed roads in those areas that have agricultural potential. Our priorities are sometimes misplaced, in that a good road is built through an area, where nobody needs it, except for two or three people. If we improve roads in coffee, tea, pyrethrum, horticultural areas and where people produce milk, then this economy will pick up very fast. This is because farmers will be able to deliver whatever they produce to the market. They will have an easy access to it.

Mr. Speaker, Sir, in the collapsing and healthy parastatals, do we have the right people running them? Or, have we placed in them people who have no knowledge of what they are supposed to do, so that they are constantly misled by professionals? If you are not a professional, or you do not have the basic knowledge of what you are charged to do, then it means you will be misled by those under you. This will be the case when these

people want to undermine you.

For example, if we appointed somebody who has not done any accounts in an accounts department the officers under him will constantly bring to him figures that he does not understand. As a result, he will in most cases approve the wrong things. I am pleading that in whatever we do, be it in parastatals or in the public sector, we should have people with some knowledge of what they are charged to do, so that they can perform well. What is the use of education? People go to universities, where they specialise in chemistry, law and teaching. If those people are placed in their own areas of specialisation they cannot be misled. But when they do not know what they are supposed to do, they will always be misled. If people working under an incompetent manager want to undermine him they will do it with a lot of ease.

Mr. Speaker, Sir, when we are talking about teachers salaries, we should talk about harmonisation of salaries in this country. We have been reviewing salaries of various categories of officers separately. There are separate commissions to review the salaries of the armed forces, the police and teachers. We are all Kenyans. We should, as a country, accept that Kenyans are equal irrespective of where they work. We should not accept people who have graduated from the same university to be paid differently. If somebody gets chance to serve in the Kenya Revenue Authority (KRA) he earns Kshs150,000 while another officer, who works as a district officer, earns a paltry Kshs12,000. There should be harmonisation of salaries in this country, so that when we talk about reviewing them, we do it in harmony. We should know that all Kenyans want to eat. They get the same type of education. They should be paid equally, so that we do not get into a situation whereby one group is paid ten times what another group is paid. This is what has created a problem. Teachers worked for many years without their salaries being reviewed. When they were reviewed, teachers were awarded very high salaries. We do not want teachers to go on strike, but there should be harmonisation of salaries for civil servants in future.

Mr. Speaker, Sir, the best way to deal with corruption is not just to talk about the vice. We should act promptly against corruption. This should be the case among public servants who are watched by the public. I am thinking of a district commissioner who may want to sell all the famine relief food sent to his district by the Government. When people complain about such a district commissioner, action should be taken against the officer. He should not continue to serve people who know that he has sold their food. The best way to act on corruption is to punish those people who are involved in it.

Mr. Speaker, Sir, the suggestion that Government vehicles should have a capacity of less than 2,000 CC is right. But I think there are officers who travel to difficult areas. Small cars of a capacity of less than 2,000 CC cannot reach even my Constituency because of bad roads. So, there must be some exemptions for Four Wheel Drive vehicles where there are bad roads. If we have good roads, even cars with a capacity of 1,200 CC would be sufficient for the Ministers. There are Ministers who cannot visit some areas in small cars. But overall, the intention of the Minister was good. But take an example of an agricultural extension officer who would want to visit an area in Turkana or Tigania, where there are no roads. How does he get there? Are we going to stop giving services to our people who live in areas without good roads?

With these few remarks, I beg to support.

Dr. Leakey: Mr. Speaker, Sir, I appreciate the opportunity to contribute to this debate. I would like to suggest to the Minister that he has, indeed, put forward a Budget that is in departure from previous tradition. But I am not persuaded that the Budget will be balanced by the time we get to the end of this Financial Year. I believe he has many plans up his sleeve to take up the shortfall that will inevitably result from the lack of political support for some of the things that he wants to do. Mr. Speaker, Sir, I would like to comment further, on what my friend, hon. Muite, referred to, in so far as bringing this country out of the economic and political tuff that I believe it is in, is concerned. It is not possible for one party to do it alone. I believe, as hon. Muite said, it is time for the Government to take seriously the need for collective action on national issues that demand sacrifices from large numbers of our people. I am struck by a number of things in the Budget Estimates. I would like to draw attention to several points that I believe have not been given due attention. I would like to say that more could have been done to build confidence.

First of all, I recognise that the teachers salary bill is going to be enormous. I think the House would agree that the teaching profession is one of the most important and honourable within our country. Without exception, our teachers are very badly paid. It is not something that any of us can be proud of. Not only that, but in addition to being badly paid, they do not have the resources to build proper housing, provide adequate books or classroom **[Dr. Leakey]**

equipment, and the level of job satisfaction is far from satisfactory, in so far as the teaching profession is concerned. I believe that rather than talking of reducing the education component in the Budget, the Minister could, perhaps, have borrowed a leaf from his colleagues in the neighbouring countries. He should have found ways to increase the Budget for the education programmes in this country so as to give confidence to the people of

our land.

Mr. Speaker, Sir, the next point that I would like to make briefly, is that I recognise the suggestion that the civil service should be trimmed. The Minister has proposed limiting increments to the four per cent, which is below the level of inflation, even with the most optimistic Budget that we can have. Having worked in the public service, I can assure those of you who have not that civil servants are equally poorly paid. We should not be punishing people who are already finding it difficult to do a job because they are not adequately remunerated for the work that they do.

What I find important is that we should go through the Estimates books that we have before us. Rather than holding back the increments, why does the Minister and his colleagues not find a way to rid the Government of unnecessary departments and public expenditure outlets? We can just take one example, namely the Office of the President, where we find enormous budgetary provisions for the Permanent Presidential Commission on Music. Is this a critical issue when our teachers are not being paid? In the Office of the President, there are enormous provisions for the Soil and Forest Conservation Programme and yet, we have the Departments of Forestry and Environment. Why cannot the Government representatives rationalise the use of our money, and get rid of things that have served their purpose?

Mr. Speaker, Sir, the final point that I would like to address, I believe it is a slightly different approach than the one that was presented here before is that not enough attention has been paid, either by the Minister or other speakers from the Government side, to the possibilities of increasing revenue, not just revenue collection. I would like to draw the Minister's attention to the fact that from my perception. Why is it that the Fisheries Department for example, is bringing such puny revenue, when we know that foreign fishing fleets soaring in the Indian Ocean and cleaning up our waters, do so without paying a penny to the Government or any Ministry? Why cannot we increase the revenues from the mining operations that are being done "kichini chini", without adequate revenues to the Government? Why cannot more emphasis be placed on creating new revenue opportunities by catching some of those who are cheating, who are known to us? In any business enterprise where there is an opportunity to move from a bad position to a better one, it does not only reduce expenditure, but it increases revenue that will be so central.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, in conclusion, I would like to suggest that if we are to get this country moving again, we need to build political and economic confidence. I congratulate the hon. Minister for being a brave man and treading a path that not many would envy. But that is not enough! Hon. Minister, you must get the support of this side of the House. To do that, you must get your colleagues to understand that going it alone is not the way forward. We must work together to save our country. It can be done, as you said, and it is worth doing. But in so far as those remarks are concerned, I support you. But I urge you, hon. Minister, that more must be done. I think we have a Budget before us that will be modified because it is unrealistic and lacks the political support, because the Government does not have the political mandate to do what you have proposed.

Thank you.

Mr. Musila: Mr. Temporary Deputy Speaker, Sir, I rise to support the Budget as presented by the hon. Minister. In doing so, I would like to take this opportunity to congratulate him for putting together very well thought-out measures which, I am sure, if they are implemented will go a long way in improving the economy of this country. I am sure that hon. Members will give the Minister all the support, so that he can ensure that all the measures are implemented.

Mr. Temporary Deputy Speaker, Sir, I would like to make a few comments. First, poverty is now a very serious problem in this country. Many people in this country are so poor that they are unable to afford a meal. The problem of poverty is compounded by the high unemployment level that is prevalent in this country. University and secondary school graduates are roaming around in the City and in the rural areas unemployed. We must do something to improve this situation. Firstly, I think a solution must be found which must include creating a suitable environment for private investment. This country must have an annual growth rate of not less than 10 per cent, if we are to solve the problem of unemployment in this country. It is a very serious matter which I believe the Government must address urgently. As an interim measure, I think the Government must initiate some **[Mr. Musila]**

unemployment relief measures which should include labour intensive projects. This has been done before,

whereby the Government initiated projects of labour intensive nature, like the rural access roads, irrigation projects and so on, which then in the short-term created employment for thousands of people.

Another issue, Mr. Temporary Deputy Speaker, Sir, is giving mwananchi access to credit through the rural enterprises, or small business credit schemes, so that they can do businesses, and become self-employed. Agriculture is the most important economic activity in this nation, and the measures proposed by the hon. Minister to improve crop production are welcome. However, I believe that these measures alone would not be sufficient. If this country is to be self-sufficient in food production and also have surplus food for export, we must do more than the measures that were proposed. It is very disheartening that this country continues to use our very scarce resources to import food. We must do everything possible to ensure that Kenya is self-sufficient in food production and also have surplus food for export. In this regard, the Government must come up with a clear food policy that gives the farmers credit. Unless we give farmers incentives, so that they are able to grow more food, we will not be able to increase food production. I propose that we address the issue of Guaranteed Minimum Returns (GMR) because this is one area where we have failed in the past. Unless we give farmers incentives and ensure that they have credit to grow more food, we will not be able to achieve our goal in food production.

Mr. Temporary Deputy Speaker, Sir, irrigation still remains one of the most important activities that we must encourage. Perhaps, the Government must open up the areas surrounding the Athi and Tana Rivers so that we may have irrigation schemes set up for growing more food. Before we do that, I think it is important to address ourselves to the issue of the stalled Hola and Bura Projects, which used to produce a lot of food. I think it is important for this country to consider the amount of water that goes to waste every year. This water could be put into good use by irrigation. If we do not irrigate crops, I do not see how this country can be self-sufficient in food production.

Mr. Temporary Deputy Speaker, Sir, I would like to say one or two things about State parastatals. The parastatals have continued to be a major drain of public resources due to the inefficient manner in which they are run, corruption and, perhaps, outright theft of public funds as amplified in the Public Investments Committee (PIC) Report. We need to address ourselves to the issue of parastatals. There is so much misuse of public transport.

In the rural areas, over the weekend, you will find parastatal vehicles moving around and one wonders what these parastatal chief executives are doing in rural areas over the weekend. Perhaps, the measures that the Minister announced in restricting transport for civil servants should immediately be imposed on parastatals because they continue to misuse public transport and they do not do what they should do. Indeed, the standards of management of these institutions must be improved. As other speakers have already indicated, the chief executives of these parastatals must be employed on merit as opposed to the current mode of rewarding certain individuals with these positions.

Finally, Mr. Temporary Deputy Speaker, Sir, I would like to say one or two words about local authorities.

As the Minister did acknowledge in his Budget Speech, local authorities do not provide the services that they are supposed to. If you take an example of our Nairobi City Council, it is unable to collect garbage, to do roads, or even read water meters. It is a very serious matter, and I believe that time has come when Kenyans must reserve the right to pay rates or other levies if they do not get services from the local authorities. In rural areas, local authorities do nothing, apart from chasing women in market places with their bananas. I think it is high time Kenyans said "no" to paying taxes unless they are able to receive services from these local authorities.

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

Mr. Magara: Mr. Temporary Deputy Speaker, Sir, I take this opportunity to thank you for giving me this chance to contribute to this year's Budget. My names are Nyanchea Magara. Sometimes I am referred to as Mr. Hezekiah.

Mr. Temporary Deputy Speaker, Sir, with your permission, may I beg to have those corrections made. My names are Mr. Nyanchea Magara, the Member for South Mugirango Constituency and I was elected to this House on a FORD(K) ticket.

Mr. Temporary Deputy Speaker, Sir, first, I should at least, at this particular moment, request my brothers on the other side to be very sincere in what we are doing. There is nothing that we can do without sincerity in us. We expect the Back-Benchers on this side and the Cabinet Members on that side to support this Motion because this is the only way we can salvage our country from the crisis in which it is in. Indeed, when the Budget was read here on 11th June, 1998, it truly addressed the issue of immediate surrender of all Government vehicles that were being misused in various Ministries. I am challenging the Cabinet and the Executive that they are not sincere and whatever we are discussing here today will not yield any fruits. There is no point after the Minister has honestly requested that all vehicles be surrendered immediately, an amnesty of 60 days to be imposed. The amnesty of 60 days is meant to encourage the users of these vehicles to ground them and take away all the spare parts. At the end of the day, when these vehicles are returned, they will be sold at a throw-away price

and that is what we are fighting against. This was a directive which was to be implemented immediately.

Mr. Gatabaki: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member of Parliament questioning the integrity and sagacity of the Member of Parliament for Baringo Central, the President of Kenya?

Mr. Magara: Mr. Temporary Deputy Speaker, Sir, I am saying that if we were sincere in salvaging our economy, there was no need of further giving amnesty of 60 days to the Members of the Cabinet who are still misusing the Government vehicles when we are fighting to get any single cent to salvage our economy. I am saying that there is no sincerity on the Government side which we are assisting to continue "eating".

Mr. Temporary Deputy Speaker, Sir, reducing our expenditure is something which everybody should understand. There is no need of going to renegotiate the teachers' salaries when we are having useless Ministries like those of East African and Regional Co-operation, Natural Resources, Culture and Social Services and so on. There is no point in having such Ministries. The Ministry of East African and Regional Co-operation can be taken care of simply with the Ministry of Foreign Affairs and International Co-operation, especially so now when we are talking of cutting down expenditure. Let us first address issues which are really facing us and which we can get rid of before we move back to the masses or the members of the public who are not with us here at the moment.

Mr. Temporary Deputy Speaker, Sir, coming to the issue of teachers, I would like to say that for the last three or four years, many promotions have been granted through corruption. You will find that after working for four years, a teacher is in job group "L", "M", "P" or "R". A teacher goes to the Teachers Service Commission (TSC) or Jogoo House where he gives out something small and then he is promoted. This is what has exactly brought about the imbalances in payment, in that, the promotions that are being given to these teachers are done in a corrupt manner. They do not take into account the number of years this man has been in practice or how much money has been set aside to cater for these promotions that are being given each and everyday.

Mr. Temporary Deputy Speaker, Sir, the issue of giving Ministers simple cars, if they can manage--- A Suzuki 1200 cc can move anywhere in this world. So, it is not a must that you must have a Pajero, or a 110 Land Rover. You can get a Suzuki which can even move on bad roads just as Land Rovers do. However, it has a small engine which can cut down the expenditure and this will salvage our economy at the moment.

Mr. Temporary Deputy Speaker, Sir, coming to the issue of revenue collection, there are classes of revenue collectors in the Ministry of Finance. You find that a sweeper, who works with the Ministry of Finance at the head office or in the Department of Income Tax, earns a salary of Kshs25,000. An inspector, who is a graduate, who goes to the field in the name of VAT Inspector earns Kshs25,000. A director in the head office earns Kshs400,000. How do you expect this small man who is going out to face an Indian and to collect Kshs300 million from him not to take something small from the *Mhindi* or a trader? If I am getting a salary of Kshs30,000 and I am going to collect revenue of about Kshs300 million from an Indian and he gives me Kshs1 million, I will just leave him to go scot-free. This is simply because the man who is sitting in the office as a director is earning Kshs400,000 and the man who is going out to collect the revenue that we need is earning Kshs30,000. This is an issue which the Minister for Finance should address and equally give these inspectors humble opportunities and fair salary increments to ensure that the efficiency of collecting this revenue is enhanced.

Mr. Temporary Deputy Speaker, Sir, indeed, Kenya's economy depends on agriculture. The most important thing which we need, if we have to get our farmers improve economically, is to provide them with roads. The moment we provide them with roads, the produce from the rural areas can be sold elsewhere. I come from a place where I grow sugar-cane and for the last six months, the roads have been impassable. How do you expect the farmers to deliver their produce if roads are impassable? The first priority that we should give our farmers is access roads to enable them sell their produce freely and practice proper marketing of their produce to enable them improve economically.

Mr. Temporary Deputy Speaker, Sir, last but not least, at all costs, let us have confidence in ourselves. Let us try at all moments to ensure that we will be accountable for the same tomorrow. I can see my brother, Prof. Ongeru, smiling and that is very good. However, when he sits in the Cabinet, he should try to tell the truth. Let us not try to hide from the kitchen Cabinet. Let us come out as men and save our country. Let us give our President the advice he needs. Let us give the President the words that can enable him salvage our country. You are not advising him properly because you have not told him to create confidence in the Cabinet by choosing Prof. Ongeru for a higher post. Let us advise him that we need a proper and stable Government so that even donors can see that there is a stable and proper Government and at the end of the day, they will have confidence and give us whatever we want. Without confidence and sincerity from those who are sitting here, we will be doing nothing. You need our support so that you can continue "eating".

Thank you very much, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister for Finance (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I want to thank

you for the opportunity that you have given me to also share and contribute to the Motion "ThAT, Mr. Speaker do now leave the Chair".

Mr. Temporary Deputy Speaker, I naturally support the Minister for Finance for giving us a very, very courageous and excellent Budget. In sharing my thoughts with Kenyans, I want to recognise a number of very serious issues that we have addressed ourselves to. In supporting this Budget to the fullest extent, I would say that was really a job well done. Thanks go to the Minister for the very superb and courageous decisions he made in the Budget statements, as well as carrying out the tasks of the Ministry and, indeed, everybody who made a contribution to the Budget that was presented to the House.

Mr. Temporary Deputy Speaker, Sir, we are concerned about the alleviation of poverty and, indeed, getting rid of it in this country. We are concerned about reducing the level of unemployment and making sure that we create enough jobs for our people. The Budget has addressed itself in so many ways, towards that final goal. But I want to say that what we are debating now is the Committee of Ways and Means, which is the ways and means of how we are going to raise revenue, and these have been stated in the Budget. But I want to mention a few things here. Indeed, the enhancement of revenue collection is a very important factor in the success of this Budget. When I talk about enhancement of revenue collection, I am calling upon every Kenyan to really assist in this particular manner. Indeed, the job has been given to the Kenya Revenue Authority, but you will find that Kenyans themselves have a vital part to play. We all must agree to pay our taxes on time and the correct taxes, for that matter. If we, Kenyans, do not develop and cultivate a culture of giving to Caesar what is Caesar's and to God what is God's, no amount of excellent budgetary statements will really take us there. So, my appeal is that we all have a share, we are in need together. Indeed, I urge our revenue collectors to ensure that they collect what is due to the Government as has been passed by this House.

Mr. Temporary Deputy Speaker, I also want to appeal on the issue of expenditure, that Kenyans must cultivate an expenditure discipline. In other words, we are accused of corruption, *et cetera*. This Parliament allocates money for various functions and you find that many a times, those who have been given the authority to incur expenditure, do not always spend the money in the manner in which it has been voted for. I want to, therefore, call on everyone concerned; the civil servants as well as Kenyans in general, to be more cautious in their expenditure. I have an example of a situation which occurred the other day, of road repair. Five bags of cement were issued for the construction of a culvert on the road that I use frequently every weekend. Two and a half bags were utilised and the remaining two and half were sold. I was given that information, went and picked up the police and I made sure that the two and half bags were, in fact, returned. I know this is a simple example, but if all Kenyans were to be resolute on this matter, we would stamp out corruption right from the bottom to the very top.

Mr. Temporary Deputy Speaker, Sir, I want to talk about implementation. We are all involved in the implementation aspect. As far as the Budget measures are concerned and in every aspect of implementing this Budget, we should make sure that we achieve the targets we have set. When it comes to implementation, many a times, I have observed that Kenyans are slow in implementing projects for which there are funds, for whatever reasons. I want to urge all implementing officers to ensure that they implement projects quickly and in a professional manner.

Mr. Temporary Deputy Speaker, Sir, I want to address the issue of corruption, not just to particular individuals, but to all Kenyans. Once again, everyone of us, particularly the professionals, are involved, to a certain degree. Because, where a road is being constructed, it has to have some measure of thickness and if that thickness is not achieved or the nick to achieve that thickness is altered, who will be responsible? It is the engineer and all the professionals involved, because at the end of the day, they sign that certificate to say that, that road has been constructed correctly, upon which payment is made. Now, who is really the culprit? So, professionals must adhere to professional ethics and indeed, any contractor who has been given a job and does it in a shoddy manner, should be blacked out from any future jobs.

Mr. Temporary Deputy Speaker, Sir, there is a lot of political will involved and I want to urge my colleagues that, this political will is not just on the side of the Government. It is for all of us in the country and in this House, to make sure that we cultivate that sufficient measure of political will in order to enable all these budgetary measures to take place.

Mr. Temporary Deputy Speaker, Sir, peace is of great importance. Clashes are unwarranted and any manner that disrupts the process of peace must totally be done away with.

Mr. Temporary Deputy Speaker, Sir, I want to briefly talk about the Civil Service Reform Programme, which has been articulated in this Budget. The only point that I want to add is that, in implementing the Civil Service Reform Programme, let us be clear. Let us have proper job descriptions, as is the case in the private sector. Let us have responsibilities and duties for every job; duties that go with each job, as well as the responsibility and authority. Many a times, we have jobs where people do not really know what they are supposed to do and I have

come across this. So, it is important that the entire Civil Service Reform Programme takes this into account. Let us reduce the size of the civil service by 59,000 people, but let us restructure to make sure that whatever jobs we have now amalgamated, we clearly design the duties, responsibilities and the authority that go with those duties. The private sector is our engine of growth. We must really work hand in hand with the private sector and make sure that confidence, harmony and an enabling environment are created by all of us; make sure that the private sector has invested as adequately as possible and ensure that jobs have been created. So, we must go out of our way to encourage the private sector, work with them, confer and consult with them. I am not just talking about this House, but I am talking about every Kenyan.

Mr. Temporary, Deputy Speaker, Sir, finally, I think the syndrome of getting rich quickly must be eradicated. Everyone wants to be rich, but we have to make sure that we sweat and earn our richness, other than using unfair means.

With those few remarks, I beg to support.

Mr. Murungi: Thank you, Mr. Temporary Deputy Speaker, Sir. I have got only a few comments to make on this Budget Speech. First, let me take this opportunity to congratulate you for being the Master of Ceremony in the very successful meeting on the constitutional review process that is taking place at Safari Park Hotel, which continues on Monday. I think it is only through those processes of tolerance, compromise and listening to one another, that we can move this country forward. I really wish to thank all the Members of Parliament who came to Safari Park Hotel to support that initiative and for being positive in trying to move the constitutional review process forward.

In the same vein, I would like to thank His Excellency the President for announcing that he is not interested in nominating the commissioners and appointing a chairman of the Constitutional Review Commission. Some of us are working out the retirement benefits of President Moi under the Constitution and very soon, we shall be bringing a private Members' Motion to clarify what those benefits are going to be, the security he should have and other benefits, so that he is not interested in holding the office after the year 2002.

Having said that, I would like to thank the Minister for Finance for bringing to this country the most honest and realistic Budget since Independence. The proposals he made, especially in the conclusion of the Budget Speech, namely; that we cannot achieve any significant growth unless we take bold measures to reduce the domestic debt, improve infrastructure, public security and reduce corruption are the same proposals we, in the DP, proposed in our policy paper on the economy, which was circulated at the Mombasa forum. So, we are supporting the Budget on that basis.

Mr. Temporary Deputy Speaker, Sir, the question that we are raising and which is bothering many Kenyans, is whether we can succeed in implementing the Budget. The Budget is good, but there is the question of implementation. I am very sceptical as to whether we shall be able to take these bold measures. First, the nature of the politics of this country cannot allow for these measures to be implemented. In our politics, we emphasise the individual. We put an individual before the country. As you know, right now, we are in the midst of a succession struggle. The question of the struggle for the Vice-Presidency has become too "hot", even for President Moi to handle. This is the "hottest political potato" that has ever come into this country. There is also the question in that struggle, of whether it is hon. Nyachae or other hon. Members who will be the Vice-President, and eventually the President of this country, from the KANU side. There are those who will see the success in implementation of this Budget as a personal success for hon. Nyachae. Some people are saying: "We are going to fight this Budget because if it succeeds Mr. Nyachae will succeed, and we do not want him to succeed. We want him to fail so that he does not take over the Vice-Presidency or the Presidency of this country." So, in the cause of fighting Mr. Nyachae, as a person, we are also going to fight the Budget. "For us, who are fighting Mr. Nyachae, we do not care whether Kenya falls apart or the economy of this country collapses. So, the question is: Do we have the political will to support the Minister for Finance to see this Budget through or are we going to fight him like we did after the Mombasa forum? I think, unless we address this question honestly, this Budget is going to be shot down and will not succeed.

Mr. Temporary Deputy Speaker, Sir, on the question of security in this country, it appears as if we have some people in this country in high office who want to make Kenya ungovernable. The question of ethnic clashes should not be taken for granted. The ethnic clashes do not arise out of primitive tribal hatred. They are not an expression of irrational activist barbarism. They are a carefully planned political strategy to achieve concrete political objectives in this succession struggle. In the case of Rwanda, we have read books on how ethnic genocide was planned, so that the late Habyriamana could continue ruling and stop any change in the constitution of that country.

I am asking this Government to take seriously the Motion which we passed in this House, on setting up a Truth and Reconciliation Commission on ethnic clashes. This is because unless we know who manages and plans

these clashes, Kenyans themselves will not invest because they do not know whether they will be alive or dead tomorrow. We also do not know whether the clashes will move from Likoni to Meru, Kisii or any part of this country. So, we want to go to the roots of the ethnic clashes because as long as they hang over us then there will be no economic growth in this country. They have destroyed tourism industry and we do not know whether next they will destroy tea, coffee and other sectors which are keeping this economy afloat right now. This is a serious issue and it should be addressed.

Mr. Temporary Deputy Speaker, Sir, there is also another social time bomb, which we are not addressing sufficiently, and which will not even permit the economic growth which we are talking about in the Budget. It is unemployment of the youth in this country. As we are talking now, over 12 million Kenyans are living in absolute poverty. Unemployment is growing at an alarming rate of 3.6 per cent per year. So, at the end of every year, 515,000 youths are entering into the ranks of unemployment. They are doing what is commonly referred to as "tarmacking". So instead of graduating from universities and colleges into jobs they are graduating into the streets.

As we argue here on whether a Minister should have one or two cars, we should remember that there are people in this country who cannot afford a meal. Those people will not sit back and wait for us to struggle with Mr. Nyachae, Mr. Murungi or others because they are also Kenyans like ourselves. I do recall that in 1964, Chuen Lae, the then Foreign Minister of China, passed through Kenya and he said that Kenya was ripe for a revolution. Kenya was not ripe for a revolution in 1964, but it is ripe for one in 1998. Unless we address the question of unemployment among the youth and poverty in this country, we are not going to be alive to consider these statistics about economic growth and so on. We will be dead or in exile. I am sorry to say that people who are between 25 and 30 years of age are the ones who will be elected to this House and to write Budgets for this country. This has happened in Uganda, Sierra Leone and can also happen in this country.

Mr. Temporary Deputy Speaker, Sir, I would like also to look at the question of those civil servants who have made themselves more important than this House. The Constitution of Kenya, Section 100, says that no money can be withdrawn from the Consolidated Fund without the approval of Parliament. We have cases where somebody made a telephone call and a civil servant went and withdrew money from the Consolidated Fund without the authority of Parliament to buy a presidential jet, build an airport, and do something else. We have to be very serious about this. As we are thinking about the Finance Bill, I would like us to introduce a Constitutional Offences Bill, which will introduce stiff penalties for civil servants who withdraw money from the Consolidated Fund without approval of Parliament. Any civil servant, whether he is a Permanent Secretary or any other officer, who does that should be imprisoned for life. That is the greatest crime against this nation. It is equivalent to treason to this country. We should not allow them to go scot-free and drive cars, as if nothing happened.

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

The Minister for Energy (Mr. Okemo): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to make a contribution on the Budget Speech. First and foremost, I will share the sentiments of my fellow hon. Members, that the Budget was fair, courageous and humane in terms of not addressing issues which would negatively affect the poor and down trodden-citizens of this country.

The Budget, as we know, is an annual Financial Statement. So, by definition, the Budget has been an annual issue, because it covers one Financial Year. Some of the comments that have been made here by hon. Members seem to imply that we can handle a lot of our medium and long-term problems through the Budget. But, I would like to say that the Budget, as it stands, actually addressed those issues which were covered very adequately at the two economic fora of Mombasa and Mbagathi. Those problems were very clearly stated and documented and, I think, the Budget responded to the issues raised at the two fora.

First and foremost, we addressed the Budget to the economic crisis situation in which we are today and, therefore, I would imagine that the Budget, as it stands, is handling a crisis situation in order to bring it to what you would call macro-economic stability. From there, we would, really, be moving to sustainable growth. But the Budget cannot handle both aspects because of its short-term nature. The crisis we are facing today is that of the huge domestic debt which impinges on the ability of other sectors of the economy to benefit from the financial institutions because most of the money comes out and goes to the Government instead of it being availed to the private sector. All of us know that the private sector is more efficient in using investment funds than the public sector. Therefore, the huge domestic debt has crowded out the private sector and left it with no funds to borrow in order to engage in productive activities. I, therefore, think that in so far as the problem of domestic debt is concerned, the Budget has come out very clearly, with measures which will address that issue adequately. Other measures that will go a long way in addressing medium and long-term aspects of our economic activities can be handled through Development Plans and Policy Framework Papers, but not by the Budget.

Everybody came here and said that it is very good to have a balanced Budget. Some of us went on to say that it is very bad to have a budget deficit. But, I think, when we talk of a balanced Budget, we all know that, it means you spend what you have. However, this is not necessarily good if you want to inspire economic growth. The problem that we have been having with budget deficits in the past is that, that deficit had not been directed to productive economic activities. It has gone only to pay for debts, recurrent expenditure and wages and, that does not create employment and income and, therefore, it has had no effect on the Gross Domestic Product (GDP). What we are saying is that, under proper macro-economic circumstances, a budget deficit can be directed to inspire growth in the economy. But, I think, we are not at that stage because, we are moving from a crisis situation to making the macro-economic fundamentals right. So, in so far as that is concerned, I think that the Budget has done a good job.

Mr. Temporary Deputy Speaker, Sir, I would like to mention, briefly, the measures which are touching on the control of Government Expenditure. I think, one of the major items we have talked about is the retrenchment of the Civil Service. I have one observation to make on this one: The reason as to why we are reducing the Civil Service and, therefore, expenditure, is to make it lean and effective since it is bloated, inefficient and, therefore non-responsive to public interests. Therefore, if we make it lean, we will cut down on expenditure and, maybe, use that money for something better. But, if you have a lean Civil Service that is not motivated or well enumerated then, I think, it is a self-defeating exercise. You will just have fewer, inefficient and ineffective civil servants. So, I would have thought that maybe, we should have addressed the question of motivation of the Civil Service so that the fewer numbers that will remain will be well motivated so that they can perform efficiently.

Mr. Temporary Deputy Speaker, the other aspect that I would like to address is the question of teachers. I think, nobody in this House can say that teachers do not deserve the salaries they are asking for. My understanding is that teachers deserve every shilling they are asking for. The only problem is the timing. Are we able to do it now, or, can we do it later? I think that is the issue. I do not think we are saying that teachers should not be given the salary increments they have asked for. We are talking about a balanced Budget and, we have seen from this Budget that the Minister for Finance has done a great job; he has gone to some great length to avoid increasing taxation. If teachers are paid the new salaries as per the negotiations of last year, the Minister for Finance must, shortly afterwards, come here with a Supplementary Budget, asking for more money. Where will that money come from? It will, most likely, come from extra taxation and, hon. Members of this House are saying that we should not do that. So, the options are very few. We go ahead and increase teachers' salaries as agreed upon. But to be able to create the finances required to do that, we shall have to come up with other measures, which is extra taxation, to create income to be able to afford to pay the teachers. I think that those are the two options that we face. We either postpone implementation of the new salaries, or we implement them and then look for ways of raising the money to pay. Those are the realities and, I do not think that we can run away from that.

The other thing is on the question of capacity building. For us to be able to come up with what you can call sustainable growth, we must be able to get some structural aspects of the economy in place. One of them is that we must be able to provide quality and relevant education with relevant skills so that those who come out can be able to be productive, self-employed and create income for themselves. The other thing we must do as a country is to look into the so called Structural Adjustment Programmes. Many of these are programmes which are actually conceived by outsiders and brought to us here and, we merely consume them gullibly without internalising them and, therefore, we find that we have no commitment. If you are not committed to a programme, it will not succeed. So, I think, when we have Structural Adjustment Programmes, we must be able to either adjust our minds to accept them, or we do not. If the implementation of these programmes is the condition for donor funding and we realise that donors are giving us money under unacceptable conditions or under conditions that we feel are not implementable. I do not think we should accept that kind of donor funding. I think we have many of such projects which come with a lot of conditionalities which, if analyzed, show that they are not tenable. Eventually, you find that they are hurting the common man who is the taxpayer, the voter who brings us to Parliament and who has no good health facilities or food to eat. So, why should we accept those kinds of projects if they impinge upon the welfare of the most vulnerable members of our society?

Mr. Temporary Deputy Speaker, Sir, I beg to support the Budget.

Mr. Waithaka: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my contribution to the Budget Speech. I wish to start from the part where the Minister for Finance ended his speech by saying:

"Let one and all arise, in common good united to build this our nation together. If we have the will, we can turn this economy around within the next two years."

This was a very well put statement but the fear which the wananchi whom we represent in this House have is that we may all arise and be united in putting the economy back on course but those who wrecked the

economy are still in office. They fear that even if the economy is put back on course, those who wrecked the economy may just destroy it because of their corrupt practices. So, the wananchi in this country are not willing to join hands to put the economy back on track because that would amount to giving the current regime and its men an opportunity to eat. We must first address ourselves to the issue of corruption. It is an accepted fact that corruption has ruined our economy. If we unite and put the economy back on course, are we sure that the same corrupt officers who are still in office are not going to wreck it again? We cannot rebuild the economy for others to eat. So, the first thing to address ourselves to is; are we now well placed politically to work together and put the economy back on track?

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

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

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance talked about leasing of Government houses for senior officers. We recall that even during the colonial period, the Government used to build houses for senior officers. What happened is that the Government followed the advice or misadvised of the IMF. I think we should not always follow this advice blindly. The Government was advised to dispose off some of its assets. What those corrupt officers in the Government did, was to dish out Government houses to individuals who are well-connected politically. After they dished out those houses which belong to the senior civil servants, they went out to take very expensive leases. The financial mess which the Government has found itself in is as a result of those leases. That is the reason why the Minister for Finance said the Government is not going to lease houses for civil servants and pay more than 30 per cent of an officer's salary as house rent. What that means is that most of our senior civil servants like the judges and magistrates and District Commissioners whose houses have been dished out will be living with the slum dwellers in Mathare and other places. That is what it means! But this scenario has been caused by a corrupt political regime which has dished out and sold Government houses. The Minister could have gone ahead and told us how many houses belonging to senior civil servants have been dished out to well-connected individuals and how much the Government has lost as a result of that. It looks very foolish for you to sell a house belonging to a Permanent Secretary for Kshs180,000 only to go and lease a house for the same Permanent Secretary for Kshs250,000 per month. It looks extremely foolish! This is exactly what has happened in this country. That is how those houses were sold. Imagine a house on a two-acre plot being sold at Kshs180,000 to a person because he was a supporter of a certain politician. What we are telling the Minister for Finance is that we cannot convince Kenyans that if we joined hands to rebuild this economy, it is not going to be destroyed the way it has been destroyed. If we have to do anything, we have to overhaul both the economic and political systems. We should overhaul everything and then we start afresh with new blood in position.

Mr. N. Nyagah: Like me.

Mr. Waithaka: Yes, like hon. Nyagah. The people who have elected us to this House are saying that the biggest problem is that the economy of this country has been destroyed by known persons who are still in office today. Are you asking Kenyans to join hands to rebuild this economy so that those corrupt people who have nothing to eat now can have something to eat, especially those from the opposite side?

Mr. Temporary Deputy Speaker, Sir, when we talk about human resources, Kenya is endowed with enormous resources but most of those human resources are idle. For example in Naivasha, there is a Maximum Prison which has no single vehicle to transport remand prisoners to the law courts. So, what happens is that every morning, three well trained magistrates will go to court to preside over cases but the accused will not be there because of lack of transport from the Maximum Prison to the law courts. So, the three magistrates will remain idle the whole day simply because there is no vehicle at the Naivasha Maximum Prison.

Last week, a remand prisoner could not be brought to court and, therefore, his relatives had to hire a taxi and some policemen to go and bring the remanded prisoner to court for trial. This is very embarrassing on the part of the Government when citizens are now hiring taxis to go and get remanded prisoners from remands because the Government cannot provide a vehicle for a Maximum Prison. It is very embarrassing. Those magistrates will remain idle the whole day and yet they are paid a lot of money because they are trained. Such things are happening and yet, we complain that the economy is not doing well. This is so because people are not working. Due to this, a case which could have taken six months takes five years, particularly if it is a murder case. We have remand prisoners who have not been appeared before a magistrate for a whole year even for a mention of their cases, and this is unconstitutional. We waste a lot of human resources because of inefficiency in

this country and unless we address ourselves to that, we cannot really go very far.

Mr. Temporary Deputy Speaker, Sir, on the issue of communication, I would like to echo what other hon. Members have said, that shoddy work is being done on our roads. I would like to give an example: When a person is employed for the first time, the first thing he will do when he gets his first salary is to buy a bed. If one were to buy a bed this month and by next month that bed is broken, then it means that he will have to keep on buying beds every month. There is no way you can grow financially even as an individual because a bed is a commodity which is supposed to last for 10 years. We are recarpeting roads in this country and even before we reach the end of the road, the finished section will require some repair. In this country, professionals may refuse to issue a certificate of completion for a particular road but that certificate will be issued from somewhere else. If that professional is not lucky, he will be demoted or sacked. Corruption in this country must be wiped out from the top and not from the bottom. Those in high offices must stop corruption. We must ask ourselves why Kenyans are corrupt. It is because the basic necessities of life are lacking. For instance, we are now talking about the teachers' salaries. There are some teachers who earn as little as Kshs2,700 per month and this is the money which the Minister for Finance wants to renegotiate.

With those few remarks, I beg to support.

The Member for Khwisero (Mr. Odongo): Mr. Temporary Deputy Speaker my name is Mr. Harrison Odongo, the Member for Khwisero constituency. Khwisero is a new Constituency carved out of the former Butere Constituency. I would like to take this opportunity to thank the people of Khwisero for electing me to this august House. I would also like to thank the Electoral Commission of Kenya for creating this constituency that I now represent in this House.

The Temporary Deputy Speaker (Mr. Musila): Order! Mr. Odongo, is this your maiden speech?

The Member for Khwisero (Mr. Odongo): Yes, it is my maiden speech, Mr. Temporary Deputy Speaker, Sir.

I would also like to take this opportunity to thank the Government for creating a new District known as Butere-Mumias in this part of Kenya. I would like to take this opportunity to contribute to this Motion presented to this House by the Minister for Finance. I support the Motion. The issue of teachers' salaries has been highlighted in this House by various hon. Members. It is an issue that we cannot over-emphasise. I would like to suggest that the aim of sitting down to talk with the teachers should not be to re-negotiate the agreement reached between the Government and the union, but to consider how we can implement the payment of teachers' salaries. All of us have a connection with the teachers in this country. They are our sons, wives or daughters. All these people belong to us. They understand the problem that is facing the economy of this country today.

We have been told and we know that the economy is in the Intensive Care Unit. These teachers know it. My suggestion is this; let us sit down with the teachers' representatives and agree on the modalities of implementing their salary payment. We can agree on a phased-out kind of programme; that in 1998 this amount will be implemented as far as salary payment is concerned. The same should apply to the following years, until the agreement is honoured in full. How do we get money to pay these salaries? The Government has sold some plots cheaply. I believe that some of these plots are still available. An hon. Member said here that plots have been sold for prices as low as Kshs180,000. A two acre plot in such a prime area could go for even Kshs.30 million. If we had 100 such plots to sell in this country, we will definitely raise sufficient capital to meet these teachers' salaries.

I happen to come from a rather "marooned" constituency. I say so because of the kind of controversial and confrontational politics that has in the past been brought in this House and back in the former Butere constituency. There is no single tarmacked road where I come from. There is no electricity or piped water anywhere in my constituency. The only hospital in my constituency which was being run by American missionaries has now been closed down because the missionaries pulled out. The people of Khwisero are now wondering because this Mwhila Hospital started its operations in 1947, during the colonial times and in 1998 it has closed its doors to the public. Are we developing?

There is a very thorny issue of employment creation in this country. If we are going to produce graduates from universities and technical colleges when there is no employment for them, where are we heading to? We have certain Governmental organisations like the Investments Promotion Centre and others. These organisations should come forward with details on how best to create jobs for our nationals. I did mention the fact that I happen to come from a marooned constituency. Gem constituency which is three KM from my constituency has electricity, piped water and tarmacked roads. The Bungoma-Mumias Road is tarmacked. Along that road, beyond Mumias you will come along Khwisero where the tarmac ends. Why is this? There is the Khumusalaba-Kisa Stand Road. It runs from Kisa Stand and ends a few meters from Khwisero. It is the same case with water and electricity.

I am appealing to the Government and the Ministers responsible for development to come around and look at these areas. The electorate is wondering why their neighbouring constituents have had these amenities,

accorded to them by these same Government. The Minister for Health should come around and look at this Hospital.

Mr. O.K. Mwangi: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am wondering whether there is a quorum in the House.

The Member for Khwisero (Mr. Odongo): Mr. Temporary Deputy Speaker, Sir, I am being inconvenienced, I do not know what to do.

The Temporary Deputy Speaker (Mr. Musila): Let Mr. Odongo continue and when he finishes, I will address the issue of quorum.

The Member for Khwisero (Mr. Odongo): Thank you, Mr. Temporary Deputy Speaker, Sir. On the issue of Mumias Sugar Company, I do appeal to the Minister for Finance not to sell shares of Mumias Sugar Company in the Nairobi Stock Exchange because the farmers in that area who supply Mumias with sugar-cane are not going to allow shares to be bought by outsiders while they remain only as suppliers of raw material.

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

QUORUM

The Assistant Minister for Trade (Mr. Ndilinge): On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a very important Motion, but it appears there is no Quorum in the House.

The Temporary Deputy Speaker (Mr. Musila): I will count the hon. Members present. Yes, there is no Quorum. So, ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Musila): Hon. Members, we now have a Quorum, and we will continue now. Dr. Kulundu, please proceed!

The Member for Lurambi (Dr. Kulundu): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for according me this opportunity to contribute to this Budget Speech and also in the process, to make my maiden speech. I am Dr. Wanjala Kulundu, a FORD(K) Member of Parliament for Lurambi, Kakamega District.

Mr. Temporary Deputy Speaker, Sir, I would like to start by thanking the people of Lurambi for the overwhelming support that they gave, not only to my party, but also to me. I do wish to take this opportunity to assure them that we shall reciprocate their support by working for them very diligently. I also wish to take this early opportunity to assure them that, contrary to reports appearing in some of the gutter Press, I have no intention whatsoever, of defecting. It will have to be a madman to defect from a party that has very brilliant prospects, to a party that may not survive in the next millennium.

Mr. Temporary Deputy Speaker, Sir, I wish to make two or three points about the Budget. The first observation I would like to make is that, the Budget was actually very well presented. But in my opinion, it was a catalogue of very good intentions and very brave measures that, I can only wish the Minister for Finance well in implementing the proposals. He will need a lot of bi-partisan, in fact, multi-partisan support and more so, support from his own party.

Mr. Temporary Deputy Speaker, Sir, an hon. Member has already alluded to this by saying that the intense fighting for the Vice-Presidency in the "misgoverning" party, will make the Minister for Finance's task a very difficulty one indeed. So, the point that we want to make is that, the ruling party should be encouraged to appoint a Vice President in order to reduce the political temperature on the Government side. This is the only way we can be in a position to implement most of those brilliant measures the Minister for Finance outlined in his Speech.

Mr. Temporary Deputy Speaker, Sir, I would be forgiven for commenting at length on the Ministry of Health because I am a medical doctor. The first point I would like to make about that Ministry is that, I feel the allocation for drugs is far too inadequate. The Minister for Finance allocated K£25 million for the purchase of drugs and other operations for a whole year. This amounts to less than Kshs17 per Kenyan for the whole year. Such an amount of Kshs17 per Kenyan for the whole year is too little money. In fact, it is too little to purchase, even a cough syrup. I would, therefore, like to take this opportunity to ask the Minister for Finance to reconsider giving more resources to the Ministry of Health. I am saying this deliberately, because in the cause of the year, there will be outcries of drug shortages. And as it is typical of this Government, it will blame those shortages on the medical personnel working in various institutions this country. In fact, it is a wonder that the medical personnel in this country have received insults from the top officials in the Ministry about drug stealing and so

forth, without taking those top officials to court and yet, the main cause of shortages of drugs in this country is gross under-allocation. To allocate Kshs17 per Kenyan for the whole of 1998/99 financial year is far too little.

Mr. Temporary Deputy Speaker, Sir, my second comment on the Ministry of Health is about the intake in various Medical Training Colleges in this country. I have seen that there is a trend to blame every shortcoming of the Government on the *El Nino* phenomenon, but there is an ethnic *El Nino* which has been sweeping across this country, especially in the Medical Training Colleges.

The medical training colleges have been heavily tilted in favour of one community. For example, in Kakamega Medical Training College alone, 75 per cent of the students come from one community. This is also the case in Kisumu and Kisii Medical Training Colleges. When will students from the various communities in Western Province ever get an opportunity to train in these mid-level courses in the medical profession?

Mr. Temporary Deputy Speaker, Sir, a situation where ethnicity is the guiding principal in admitting students to colleges, is a recipe for disaster. It is also a recipe for national polarisation and disintegration. If, indeed, the President is sincere about having the welfare of Kenyans at heart, this Parliament has to assist him stop this imminent disintegration of this nation. The Minister for Health intends to bring a Motion here on National Hospital Insurance Fund (NHIF). I am surprised that in this era of liberalisation, the Minister still brings a Motion that protects the NHIF. My submission is that NHIF should be dissolved and health insurance should be open to competition. All the stakeholders in the health insurance in this country must be given an opportunity to lobby for support, even in the Civil Service.

Mr. Temporary Deputy Speaker, Sir, much has been said about renegotiation of teachers' salaries. If I can remember, the teachers' salaries were renegotiated last year. There was a time when teachers' salaries were increased by 200 per cent, but because of hue and cry by the Ministry of Education and Human Resource Development, these salaries were renegotiated and it was agreed that they be implemented in phases. In fact, the implementation period was extended from 1997/98 to the year 2001. The teachers' salaries were renegotiated and there is no point of renegotiating them.

The teachers are the only workers whose earnings go directly into improving the economy of our rural areas. The issue of raising of teachers' salaries should be looked at positively rather than as a burden to the Exchequer. Teachers in this country did not participate in the genesis of this domestic debt. Whereas economists would like to impress us with all sorts of measures, that does not preclude teachers from enjoying their rights after doing a hard job for our children.

Mr. Temporary Deputy Speaker, Sir, I would like to question the role of the Kenya Sugar Authority in this era of liberalisation. So much has been talked about sugar-cane farmers inability to purchase shares in the sugar companies all over the country. I think the reason is because our sugar-cane farmers are grossly underpaid. Sugar-cane prices are tightly controlled by the Kenya Sugar Authority whereas sugar prices have been left to market forces.

Mr. Temporary Deputy Speaker, Sir, this is a situation which renders farmers open to manipulation. It is my submission that, if the Kenya Sugar Authority has to continue operating, maybe some of its functions can be decentralised to various companies. Without sounding tribalistic, Western Kenya is the home of the sugar industry in this country. Western Kenya has also been known to produce scholars and managers of high repute in this country. If there are any senior appointments in the sugar industry, we would prefer somebody from the sugar belt to be appointed to take charge of affairs in the sugar industry. We do not want people to be imposed on us. They may be Kenyans, but if they know nothing about sugar-cane growing, we view that as an insult.

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

Dr. Kituyi: Thank you, very much Mr. Temporary Deputy Speaker, Sir. Some of the more important issues that I would have liked to address about this Budget, have already been dwelt upon at length. Suffice it, I will just mention briefly, some of those matters.

Mr. Temporary Deputy Speaker, Sir, when we are talking about economic governance in this [**Dr. Kituyi**]

country, a critical concern is, to what extent the Government of the day attempts to lead through its commitments. In management, there is always a dictum. That, if you do not undertake those things you know from the outset, you will not be able to effect. If the Government can say with a straight face that it is going to abolish renting houses for civil servants, when it knows that it lacks the political and other mechanisms of muscle to effect such a decision, it means that the Government is ready to delude itself in public. This Government does not have the capacity to move those senior civil servants out of those Government rented houses and give them a third of their salary as house allowance.

Mr. Temporary Deputy Speaker, Sir, secondly, it is outside the purview of the Minister for Finance to declare that Government is going to renegotiate salaries and benefits. Renegotiations are decisions reached at

mutually between parties to the agreement. They are not unilateral statements of one of the parties to the agreement. The Government should have expressed a desire to explore possibilities of renegotiating the benefits of teachers. It has no capacity on its own, to unilaterally declare it will renegotiate. With who? I do not think we need to flog a dead horse too long. That was just a nice political statement which will not have any substance over the next 12 months.

Mr. Temporary Deputy Speaker, Sir, one of the most worrying things about this Government is how often it engages reverse gear. It declares its intention to do something and then beats a fast retreat. It is scared of the nuts and bolts of negotiation. The crisis on the benefits of teachers is a product of a Government which beats a retreat, after it has discovered belatedly, that its senior officers had goofed. We have seen the Government - particularly in the run-up to elections - acting as if it is in scotched earth retreat; undertaking measures which will be painful for the Government after elections. In 1992 we saw the printing of paper money to finance an election. In 1997 there were generous awards to teachers and civil servants which the Government knew it was not going to have the capacity to implement. Now, it has to bear its baby.

Mr. Temporary Deputy Speaker, Sir, it has been said adequately that from the start of the process of liberalization in this country, the consumers of Government policy only sacrificed, but they have not absorbed any of the benefits of that liberalization. We saw the totally uncontrolled liberalization of the agricultural sector massively exploited by people who were producing shoddy fertilizers and other farm inputs; painting commercial maize and selling it as seed maize, while exporting Kenya seed maize to Uganda. Indeed, individuals were responsible for controlling quality and availing of seed maize in Kenya run companies for the marketing of Kenyan seed maize in Uganda, while they were shareholders in companies that were selling us shoddy seeds in this country. All this, was done in the name of liberalization. Poor performance gives liberalization a bad name.

Mr. Temporary Deputy Speaker, Sir, finally on liberalization, this country is on the brink of off-loading Government equity in sugar factories. The first stop is Mumias. The Government very condescendingly has declared that it will set aside 20 per cent of the equity of Government in Mumias Sugar Company for the outgrowers of Mumias Sugar Company. But if you ask yourself, Kenya has just been going through the process of privatising the tea sector--- The Government is off-loading 45 tea factories to tea outgrowers. They have accepted to capitalise all statutory deductions from tea deliverance since the factories were opened. All cess that was charged against tea deliveries has been considered as part of the purchase of the tea factory. If it is good for the tea industry, why can it be wrong for the sugar industry. The first step in the privatization of Mumias Sugar Company is to calculate how much money the Government has deducted from the deliveries of sugar cane from Mumias sugar-cane farmers. Because that is the money that has bought what is being called government equity. That means that the outgrowers of Mumias Sugar Company have already finished buying their factory. When a Permanent Secretary in the Ministry of Agriculture says that, politicians should help their poor farmers raise money for buying 20 per cent it is an insult on the intelligence of the people of Western Kenya. Those people are poor because of excessive deductions by Government against their sugar-cane delivery.

Today, if I transport one tonne of sugar-cane from my farm to Mumias Sugar Factory, the transporter is going to collect more money than what I earn from the sale of that one tonne of sugar-cane. Sugar-cane farmers are being exploited by a parasite called Kenya Sugar Authority which has no value other than as a mechanism to reward the politically correct and generate a political slash fund of the production of the sugar factories. It is time that we abolished the Kenya Sugar Authority and replaced it with an association of sugar manufacturers; an industry regulated mechanism.

Mr. Temporary Deputy Speaker, Sir, if we are thinking about liberalization, there are many issues that have to be dealt with seriously. First and foremost, we must get out of the mentality that the Provincial Administration is an engine of entrepreneurial development. We must get out of the culture that the responsibility of the Government is to regulate. As the Minister for Finance was announcing here that Government will now move to more facilitation of private sector, for the past one week, we have been hearing reports how the police are being very efficient in going to houses in Eastleigh and other parts of Eastlands in Nairobi, to track down persons who are charging Kshs10 to allow people who do not have televisions to watch football world cup matches in their houses. How does it hurt Government if there is a willing contract between a person who is giving Kshs10 to watch a world cup match and another person who is ready to accept these persons into their houses for Kshs10? Is this the only thing the Government can do? Is this part of the thinking about liberalization and facilitating entrepreneurship? How does Government benefit if those people with Kshs10 cannot watch world cup matches? The Government has to start thinking big. And to think big, Government must be ready to live with the reality; that it is going to be criticised where it goes wrong. There is nothing they can do to stop criticism.

Mr. Temporary Deputy Speaker, Sir, yesterday, the most popular journalist in this country; Mr. Kwendo

Opanga was forced to resign from the *Nation* Group of Newspapers, because he had published a column about the relationship between hon. Kirwa and President Moi. Since State House was not pleased, they twisted arms of the management to get him out of the *Nation* Group of Newspapers. You are gagging your voice, because you do not like the message you are hearing. You want that message to go underground and react to it when it becomes fire. That is not thinking big. That, in fact, is being petty. The Government cannot be serious in leading us out of the economic distress we are in, if it is going to think petty.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is Dr. Kituyi in order to mislead this House, that the *Nation* Group of Newspapers management was arm-twisted by the Government to force Mr. Kwendo Opanga to resign? Could he substantiate?

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I wish to inform hon. Nyachae that, deceive is not part of the vocabulary of this House. Further, I would like to inform him that the story was published in hon. Gumo's publication called *The Sun*, about Mr. Kwendo Opanga working for KANU in 1992 and subsequently reproduced in *Kenya Times*, as part of State House machinations to bring Mr. Kwendo Opanga onto a line through which he would be forced to resign. His confession that he had done consultancy work for KANU was to justify to persons who want to perceive the management of the *Nation* Group of Newspapers as anti-KANU. That he has to go because of this. The reality is, if the management was to decide on its own, why is it that a senior manager in the *Nation* was in court and charged over sexual harassment and yet he was not fired. How can a statement that demands for resignation which is partly related to the conditions of a licence for television and radio broadcasts be seen as an in house thing? If the Minister for Finance does not know all the facts, it is not sufficient that he asks me to substantiate. I will avail some of the information to him if he is genuinely interested in it.

Mr. Temporary Deputy Speaker, Sir, this country is going through a very serious process of renegotiating its relationship with its neighbours. The Minister for Foreign Affairs and the Minister for East African and Regional Co-operation are making statements which have major implications to the future governance of this country in relation to its neighbours. It cannot be legitimately done without facilitating participation of Parliament in the negotiations before they act. Up to now there is a dormant foreign relations committee, and the Government has not brought any Sessional Paper in this House to enable it deliberate on further integration of the East African Communities. It cannot be done by fear, but has to be done through consensus on the basis of agreement by the legislature.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. N. Nyagah: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to also air my views. First, I thank the Minister for Finance for being candid in the economic forum held in Mombasa. I have known hon. Nyachae for many years. He was my Provincial Commissioner some time back. Every time I had a problem he solved it immediately as he is a no nonsense person. He does what is right at the right time. I would also like to tell my friend, hon. Nyachae, that he will be in for a hiding. There is no way this Government will allow him to succeed in his Budget. But I wish him all the very best.

Mr. Temporary Deputy Speaker, Sir, you will agree with me that having spoken on the Sixth Day, I will repeat what many hon. Members have already said. I do not want to be a copy cat. The onus is on the Government to make sure that what it has given us as a Budget will be implemented. What Kenyans want to hear is development. They do not want to hear big and rhetorical words. They also want to have confidence in this Government. If the Government does not give them that confidence, they will be out in the streets. If they go out into the streets, I will be their Field Marshal there.

I have read many publications, and have travelled far and wide. I want to give two examples in this House. One, concerns the United Kingdom and the other the United States of America. If the interest rates go beyond nine per cent there is hue cry. The Government should take all the measures possible to ensure that the interest rates do not go beyond nine per cent. What happens in Kenya today? They are rang between 30, 31 and 32 per cent. We are a dormant society because we do not react. We have many greedy smugglers that ever existed in the universe. There is no way they can obtain a bank loan and pay the interest rate of 32 percent. First, before you even consider the principle sum you have to pay to the bank, you have to put aside 32 per cent of that sum as payment towards interest. Who on earth will do business that is straight forward? This is why many of us are involved in illegal deals. I can see the Assistant Minister for Finance nodding his head in acceptance of that. The Government is pushing people into illegal deals that are taking place in the country.

The Assistant Minister for Finance (Mr. Keah): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. N. Nyagah to say that I nodded, when I sat down there still and listened attentively to him? Is he in order to say things in this House that are not true?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, the advantage of having done psychology is very

simple. We are told when a man or woman is in deep thought, he or she ceases to exist. Hon. Keah does not know what he was doing. He was actually listening attentively to what I was saying. I thank him for that.

Mr. Temporary Deputy Speaker, Sir, if you open the newspapers today you will see that there are many property auction advertisements. There is great concern as to why this is happening. I want to appeal to the Minister for Finance to do two things.

First, he has talked about environmental problems. He states that the reason why he has imposed very heavy anti-dumping tax is to protect the environment. If we are serious about the protection of our environment, we should think about the garbage that litters our once beautiful Nairobi City, and the whole country. We should think first about unleaded petrol if we are concerned about our environment. I want to quote a portion in the Minister's Budget Speech, which says:

"Consequently, it has become necessary for all the second hand motor vehicles importers into Kenya to meet the necessary quality and admission standards."

I have no problem with that part. However, I have a problem with another portion which says that vehicles that are five or six years old will be taxed at the rate of 30 per cent. There are two motor vehicle industries that are known in Kenya. One is called the Kenya Auto Bazaar Association (KABA), and is run by indigenous Kenyans. The other one is run by prominent foreigners and Kenyans. My interest is not to name those prominent Kenyans who run these firms. These people wrote a letter to hon. Mudavadi, on 14th March, 1997. They wanted to know what the then Minister for Finance had done in the Budget. They forgot that we have so many Kenyans who are making a livelihood from selling motor vehicles. I have the letter and I can table it in this House.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead this House that the figure, the year and amount quoted in my Budget Speech were in the letter which was sent to hon. Mudavadi last year? That is the impression he has created!

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, as an intelligent Kenyan, I have looked at the Minister's presentation and that of the Kenya Management Institute (KMI) to the Ministry of Finance, and have seen that the Minister has been very sympathetic to the KMI.

Mr. Temporary Deputy Speaker, Sir, there are more than 2,000 vehicles either in the high seas or at the Kenya Ports Authority (KPA). The buyers of those vehicles will be taxed very heavily. The request that I am making on their behalf is that the Government should be lenient on them. The Government should waive the tax that the Minister proposed during the Budget Speech.

The Government will only save Kshs120 million by taking good care of these people. What is the net effect? The average Kenyan will never own a motor vehicle because at pre-shipment level, there will be a cost to it. The Japanese appraisal institution has already come up with a figure which is going to be paid as pre-shipment charges, and which will be added to the value of the vehicle at the point of entry, that is Mombasa. The Kenya Government will tax it inclusive of the pre-shipment charge. Let me give an example of a Nissan B12, to demonstrate what I am trying to say. The B12 Nissan became obsolete in Japan in 1989. They were introduced in Kenya in 1991. The major companies have continued to sell this particular model for Kshs1.6 million. The Kenya Auto Bazaar Association, which is owned by ordinary natives came into being and started importing these vehicles for sale and the price reduced to Kshs750,000. You can see how the big companies exploit our people.

Mr. Temporary Deputy Speaker, Sir, we have been told that many accidents are caused by the cars from Dubai and Japan. Are the Kenya Bus Company buses from Japan or Dubai? I see KAEs and KABs causing accidents all the time. I have the pleasure to report that, as the Member of Parliament for Kamukunji, the Kenyatta Home Again (KHA) 1 which was bought for the late President Kenyatta in 1961 is still on the road, along Jogoo Road. All the old Ford Transit models are still on the road. They do not cause any accidents and their brakes are perfect. They are looked after properly. I appeal to the Minister to look at the plight of ordinary Kenyans. We are condemning the ordinary Kenyans to use matatus which will also go. Leyland buses go for Kshs8 million. Nissan E20 cannot go for that amount. What are the people going to use for travelling? We are going to miss a lot of work because the people will not be able to get to their places of work. The matatu drivers will go on strike and we do not want our President to be hassled all the time solving matatu disputes.

With those few remarks, I beg to support.

Dr. Wako: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to, first and foremost, congratulate the Minister for Finance for giving us more of a policy paper, to guide us through the economic crisis that we are in. Our economy has been in a crisis for a very long time. Do we have the will and ability to put in place the policies that the Budget has enumerated?

For example, the textile industry has been destroyed by the importation of transit second-hand materials and clothes duty-free. This spread to other sectors like the cereals and petroleum. This was not done by the

ordinary people. It was done by exclusive people with powers to twist and manipulate the customs people at the port of Mombasa. We should ensure that this problem is reversed.

The biggest problem that we are facing today is insecurity. This created a big problem in the tourism industry. If you look at the tourism industry, does it benefit the people who labour so much to bring tourists to this country? The Coast people, who are the mainstay of the tourism industry, can only operate as beach boys. The hotels in Mombasa employ people from up-country. Three quarters of the people who are employed in Mombasa are from the up-country. Three quarters of the beach land where these hotels are built belong to the local people. These people have been removed. We have the same problem in Samburu and Maasai Mara. The indigenous people in those areas do not see the fruits of tourism. That is why there is a lot of insecurity. When the local people are not even employed in those hotels, what do you expect the local people to do? That is what is creating the bad publicity abroad.

For example, a month ago, the Ministry of Information and Broadcasting allowed a film of Kshs700 million to be shot on location at Shaba in Isiolo. The local people never benefitted from shooting of this film. They got totally nothing. The film increased the insecurity in this place. Within those few months, there were more attacks than any other time in Isiolo. The local people knew that there was a film worth Kshs700 million going on there. Three quarters of the vehicles that were used in the film-making came from Nairobi. Three quarters of the people came from Nairobi. To make matters worse, it was Asians and Europeans who benefited from the film than the local people. What we are trying to say is that if we are going to ensure that the economy has to be changed, the local people must get certain amounts of concessions out of the whole tourism industry.

In terms of agriculture, we import even fruits into the country. We thank the Minister for giving some concessions in the agricultural sector. Today, you can get cheaper maize from abroad. Although we have reduced the price of fertilisers, we still have the same problem. We have to protect the local goods and ensure that the local people are protected.

With regard to corruption, the Minister will have to work overtime to curb it. This is because it is not practised by the ordinary people. The small people do not run away with revenue. The main problem is caused by big people who bring in transit goods only to off-load them in the local market. This will continue as long as, in Kenya, we continue making good policy papers like the Budget Speech, which are not implemented. This has created a lot of problems. The Minister has proposed privatization of the Container Terminal as one way of solving some of the problems facing the KPA, but this will not be a solution. The Minister knows and since it is public knowledge that certain businessmen are bringing in a whole shipload of 25,000 tonnes of sugar and, out of that, they only pay Custom Duty for only 5,000 tonnes; the rest goes untaxed. This is what killed Mumias and Nzoia Sugar Factories and other sugar manufacturing industries. This is the cause of the problem and we have to look into it.

Mr. Temporary Deputy Speaker, Sir, it is very good for the Minister to ask for a renegotiation of the teachers' salaries because we cannot afford to pay such high salaries, but I think that is a bottom-up situation which in most cases is very much unacceptable. Why do we not start from the top because the cause of the economic crisis starts from the top? Why do we not start by reducing the size of the Cabinet to 20? If you look at some of the Ministries that we have today, they were once one Ministry. A case in mind is the Ministry of Natural Resources and the Ministry of Environmental Conservation. I do not see the reason why we have to split these Ministries at this particular time when we are facing economic crisis. This is the time we should reduce the Cabinet thereby reducing our expenditure. Therefore, if we are serious, we should start with the reduction of the Cabinet. That is the first step. We should lead by example. When we do that, then we show the Kenyans that we are interested in salvaging our economy. After this, we can then renegotiate with the teachers. We have more than 100,000 civil servants who have not been doing any work, but have continued to draw salaries for the last five to 10 years. If you look at the establishment of the Civil Service and the kind of services we are getting from the civil servants, I do not think that it goes with the number we have. If we are going to be honest, there are so many people who are drawing salaries without actually working for them. If the Directorate of Personnel Management (DPM) is serious, we do not have to wait for three years to get 100,000 people. All we need is sincerity, honesty and to ensure that we become serious by starting from the top.

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

Mr. Shidie: Thank you very much, Mr. Temporary Deputy Speaker, Sir. The Budget Speech has been ably moved by the Minister and we are very happy with this Budget. This is a departure from the past Budgets. In the past, when the Budget was being read, all the consumers in Kenya would listen so as to hear the new prices of goods. The Budget was affecting their personal lives directly, but with the liberalised economy, I can understand that such a Budget is tailor-made for this liberalised economy.

Mr. Temporary Deputy Speaker, Sir, as a Government, we started with this grandiose policy like free

education. When we got our Independence, we engaged in free education, free medical services and to almost full employment. That is what really made the Government of the day at that particular time, and indeed, what it is today. Today, the world has changed, and if you think in terms of that, you will reach nowhere. We have economic problems today in this country basically because we are providing free services. Those services have made this Government broke. It is high time we went back to the drawing board and looked for ways and means of resuscitating the economy. How are we going to make this country better, create wealth and alleviate unemployment and reduce poverty? Poverty is rampant in this country and it is so dehumanising. Very few Kenyans today can afford to buy a meal. About 80 per cent of Kenyans are living below the poverty line. About 70 per cent of Kenyans are today having no jobs. Today, people have lost hope in joining universities for higher education basically because they see people with Masters and Bachelors Degrees without jobs. We must find ways and means of helping our economy.

Mr. Temporary Deputy Speaker, Sir, we have seen the problem in this country. The Budget is passed in this Parliament, it goes to the district level and that is where the problem is. For example, in Garissa District where I come from, the District Treasury is bankrupt. Nobody would ever want to do business with the Government because it does not pay for any services rendered. It has been run down. We pass money here and it is sent to the district level. Today, I cannot even talk to the DC, Garissa, because the telephone is out of order. If I have to reach the DC, I have to call him from the nearest telephone booth and the DC has to be told that he has a telephone from mhe. Mbunge so and so. That is the much we have gone down. Garissa has 15 divisions, but no District Officer has a vehicle. The hospitals and police stations have no vehicles, but ramshackles. They are in the garages where they have been cannibalised. That is the sad story. Money is being passed, but it is never used properly there. It is time District Treasuries were abolished because there is a lot of bureaucracy. This is what has given the Government a bad image. Services are not delivered.

Mr. Temporary Deputy Speaker, Sir, if you go to the districts you will find that the only institutions which function are schools and hospitals. The rest do not work. If we are going to reduce the size of our teaching force, we should think of the civil servants as well, because livestock and agricultural extension officers do not work. All those people are idle and they drawing salaries and getting promoted. Teachers do not have vehicles. We have not seen vehicles grounded in school yards. First, let us reduce the size of the Civil Service and that would be the starting point before we embark on the teachers. We do not have teachers in our areas, what are we going to reduce? The only secondary school in my constituency has four teachers. If you reduce this number, what am I going to remain with? The primary schools are all understaffed. We must say the truth and the truth is that we do not have teachers in those remote areas.

There are no roads. There is no electricity. There are few teachers and this is the truth.

Mr. Temporary Deputy Speaker, Sir, coming to infrastructure, we are happy that the Minister for Public Works and Housing made a tour of the affected area.

Mr. Kamolleh: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead this House by making us think that there is no Government presence at all in Garissa, as if everything is at a standstill? We have the Government Ministers here. Could we hear the truth because, otherwise, he is making an alarming statement. Some of us are even worried when we are seated here, to hear that there are no cars, policemen and the General Service Unit (GSU) and, therefore, it is a free-for-all situation. Could we hear something about this because this is very alarming?

Mr. Shidie: Mr. Temporary Deputy Speaker, Sir. I am talking about facts. If you want to reach the District Commissioner, Garissa, you cannot do so because he is not on telephone. That is the true story that I am telling you. So, there is nothing to hide.

Mr. Temporary Deputy Speaker, Sir, having said that, I will turn to the infrastructure. Our roads were due for repair long even before the *El Nino* phenomenon. We were cut off from the rest of Kenyans for the last eight months. If I want to reach Modogashe, which is the headquarters of my constituency, I have to charter an aircraft or a helicopter because I cannot reach there. If I have to reach Habaswein, for instance, I have to pass through Moyale or Marsabit first, then come all the way round and down through Wajir. That means it will take me 15 days to reach there, and it is a distance. From here, it is, maybe, less than 400 kilometres. So, we are really cut off from the rest of Kenyans, and it is a very serious issue. When the Minister toured the area he saw with his own eyes the road between Modogashe and Habaswein, which has been completely cut off. You cannot reach that place.

Mr. Temporary Deputy Speaker, Sir, we should not blame the *El Nino* phenomenon. In the first place, in North Eastern Province, there were no roads. There were no bridges that were washed away by the *El Nino* rains. The few footpaths and small roads here and there have now been finished completely. So, it is high time that money for that purpose was voted. Contracts were awarded to some private firms like Skanska and many others,

but nothing has been done. About Kshs115 million was used on the project but today, those roads are even worse. At least, as concerns the drainage system, nature was balancing itself through gravitational forces. There were gravitational pulls. When it rained, the water went down the drain. Where they were supposed to build a bridge or a culvert, they did not do anything. So, what happened is that the water accumulated on one side and consequently swept the road away. So, what happened is that we remained with gullies. So, money that is passed in this House must be used properly and those contractors who were awarded tenders must account for that money.

Mr. Temporary Deputy Speaker, Sir, turning to relief food, I would like to say that money has been voted for this purpose in this House. Every year, the people of Northern Kenya have been getting relief food, especially during drought, and when the *El Nino* phenomenon came, we were given some relief food. We cannot rely on handouts. The time has come when we should say that we no longer need any handouts. We no longer need food handouts because that food has created a dependency syndrome. That food has made people who were hardworking become idlers. The Government must find ways and means of solving this problem. A policy must be formulated to this effect. At least, the Government must initiate income-generating projects, industries and abattoirs, so that these people can benefit. That food does not reach the people who are supposed to get it. We do not have the transport element. The food which is supposed to be transported to Garissa does not reach its destination.

Mr. Temporary Deputy Speaker, Sir, finally, there was an issue that I wanted to highlight. In the last Parliament, I brought the issue of one man called Mr. Sajjad, who escaped with Kshs6.5 billion belonging to the Somali community. This is not hon. Sajjad, but another Sajjad who, upto this time, is still at large. He is a free man whereas the people who were affected are suffering. It is high time that the Minister did something.

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

But before I comment on the Budget, let me comment on the issue of Mr. Kwendo Opanga, because he is a journalist and I also used to be one, and because the Minister for Finance has commented about him. Anybody who works for the KANU Government; anybody who is employed and manipulated by this Government, has no future anywhere in this country. Mr. Opanga brought his own fate because he worked as a double agent.

Having said that, let me state why I did not and I do not, recognise the Budget. The founding fathers of our nation were men who were clear on what they stood for. Section 15 of the Constitution of the Republic of Kenya says: "There shall be a Vice-President of Kenya who shall be appointed by the President." Section 17 says: "There shall be a Cabinet consisting of the President, the Vice-President and the other Ministers."

Mr. Temporary Deputy Speaker, Sir, when I came here, I swore to defend and protect the Constitution of the Republic of Kenya. On that basis, anybody who does not, even President Moi, honour the Constitution or violates it should be impeached. On that basis, the Budget which was presented by the hon. Nyachae is a Budget brought to this House by a Government which is not duly constituted.

Having said that, with due respect to the hon. Nyachae, when he was the Nairobi Provincial Commissioner, he managed to talk to President Kenyatta who did not interfere with the University of Nairobi. He did not close down the University of Nairobi when I was there and there were no arrests; neither were the universities closed down as often as they are today.

Having said that, let me say something about hon. Nyachae--- Please, let me finish, because I have a very short time.

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House as to why action was taken and why I helped him? He misbehaved in the University, got arrested and locked up, and then I had to be taken by his father to the President to get him released. So, he should admit he had committed an offence.

An hon. Member: Own up!

Mr. Gatabaki: I did not say that. What hon. Nyachae should have brought to this House is not a Budget but a programme of reconstruction. In 1942, there was a United States President called Franklin Roosevelt. During the Depression, there was no Budget presented. The U.S. economy was in despair and completely crippled down. In 1998, the economy of Kenya is completely destroyed. In the 1996/97 Budget, Kshs107 billion worth of taxpayers' money has been wasted. There is no infrastructure; there is nothing in this country. Therefore, instead of bringing the Budget, it would have been better for the Minister for Finance to say: "I am bringing to this House a reconstruction programme to revive the economy of this country", and not to tax Kenyans further. This reconstruction programme could have gone to areas where this Government has a shade of credibility. It could have revived the tourism industry and, possibly, have an opportunity of getting Kshs25 billion. It could have done something about horticulture and get some money out of it; done something about agriculture and also --- That is because this Government is not capable of governing at all.

Mr. Temporary Deputy Speaker, Sir, charity begins at home. In this Parliament, there is a lot of corruption. We have seen corruption here in this House. We have a Clerk in this House who is not qualified to be a Clerk, even in a kiosk.

(Applause)

The first thing the Minister should have done is to question how Continental House was bought at Kshs220 million from the Trustees, and this Parliament bought it through the Clerk, at Kshs550 million. There could have been a saving of about Kshs300 million!

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a very serious allegation against the Clerk of the National Assembly. The Continental House was bought through the authority of a Committee of this House, which made the decision to buy it. It was not the Clerk who decided to buy Continental House, but the Speaker's Committee. So, the hon. Member is misleading the House.

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, could I substantiate?

The Temporary Deputy Speaker (Mr. Musila): Mr. Gatabaki, I am sure you appreciate the gravity of the matter and the allegations you are making against the Clerk. In view of the information given by the hon. Minister, that a Committee of this House actually approved the acquisition of the Continental House, I would like you to withdraw those remarks and apologise to the House.

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I shall demonstrate to this House that the Clerk, as the Accounting Officer---

The Temporary Deputy Speaker (Mr. Musila): Order! You either withdraw and apologise to the House or--- Mr. Gatabaki, you made an allegation against the Clerk of the National Assembly. It has been stated that it is not correct. What is your position now?

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I will substantiate that allegation, with the help of the entire Opposition side and some hon. Members from the Government side.

(Applause)

The Temporary Deputy Speaker (Mr. Musila): Order, hon. Members!

The Minister for Finance (Mr. Nyachae): On a point of order, Mr. Temporary Deputy Speaker, Sir. Either the hon. Member withdraws his allegation, or we table the minutes of the Speaker's Committee, which approved the acquisition of Continental House. The minutes are written within these buildings. We will not allow an hon. Member to mislead the House and accuse the employees of the National Assembly of engaging in corruption while it was this House that authorised the purchase of that building.

The Temporary Deputy Speaker (Mr. Musila): Order! Mr. Gatabaki, we are following that issue very seriously. It is very clear that the acquisition of Continental House was done through the Speaker's Committee. The Estimates were printed and approved by this House. Therefore, it is not the Clerk who made a decision to buy Continental House. Mr. Gatabaki, you will withdraw your remark and apologise and then proceed with your contributions.

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, I have the right of being here!

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

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Mwenje! I have already asked Mr. Gatabaki to withdraw and apologise. So, let us hear him.

Mr. Gatabaki: Mr. Temporary Deputy Speaker, Sir, hon. Nyachae has only given his point of view. This is a fundamental problem. The issue of Continental House is well known. Documents were tabled in this House by hon. Maore last year. There is no need to apologise for an evil that has been committed in this House.

(Several Members stood up in their places)

The Temporary Deputy Speaker (Mr. Musila): Order! Order! When the Speaker is standing, Members should sit down.

Mr. Ndilinge, what is your point of order?

The Assistant Minister for Trade (Mr. Ndilinge): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for hon. Gatabaki to keep on attacking the Clerk of the National Assembly when we know very well that there is a plot to remove him from this House?

(Mr. Mwenje stood up in his place)

The Temporary Deputy Speaker (Mr. Musila): Order! Order! Mr. Mwenje, sit down!

Mr. Gatabaki, will you, please, stand up and substantiate your statement that the Clerk had something sinister to do with that particular purchase? I am still on that issue and I would like you to state your position.

Mr. Kathangu: Jambo la nidhamu, Bw. Naibu Spika wa Muda.

The Temporary Deputy Speaker (Mr. Musila): Order! Order, Members. Sitakubali jambo la nidhamu kutoka kwa mhe. Mbunge yeyote. Ninataka, kwanza, Bw. Gatabaki amalize maneno yake.

Mr. Kathangu: Mr. Temporary Deputy Speaker, you cannot discriminate. Hon. Ndilinge has stood on a point of order.

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Kathangu and Mr. Gatabaki!

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

The Temporary Deputy Speaker (Mr. Musila): Order! I have not accepted your point of order, Mr. Mwenje.

Mr. Kathangu: Give way, Mr. Temporary Deputy Speaker, Sir. Umeshindwa na kazi yako!

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

[Mr. Speaker took the Chair]

Mr. Speaker: Order! Order! Hon. Members, I have just been following what has been transpiring on the Floor of the House, and I wish to say as follows:

One: I happen to be the Chairman of the Speaker's Committee. I happen to know, as Chairman of the Speaker's Committee, that we had, as a committee, negotiated for the purchase of the Continental Building. Hon. Nyachae is a Member of this Committee and he knows, as he stated, that the decision to purchase the Continental Building, and the price, were negotiated by the Speaker's Committee comprising of Members from both sides of the House. The record as to who constituted the membership of that Committee is public record. I can state here, as the Chairman of that Committee, that the Clerk only acted as a secretary to that Committee and all decisions as to the price, were made by the Committee. I think Mr. Maore was also a Member of the Committee. I am not quite sure whether he was or not. Maybe, I am wrong. However, one thing I am sure of, and I am not wrong because I sat in all the meetings of that Committee is that it was the Committee that made the decision. We got the valuations from various valuers. I can also state that it did not mean that we were acquiring the building; we were purchasing it, as a Parliament, on the market, on a willing-seller-willing-buyer basis. The owners of the building were not obligated to sell it to Parliament, and Parliament was also not obligated to buy it. If there was a mistake by the Committee, then it was the Committee's mistake, it was not that of the Clerk. Therefore, to allege that the Clerk of the National Assembly did anything behind the Committee or the House, is totally wrong. If there is any blame to be apportioned, then it must go to the Committee of the House as a whole, and not to the Clerk.

So, Mr. Gatabaki, you are wrong. You must withdraw.

(Several Members stood up in their places)

Mr. Speaker: Order! Mr. Gatabaki, you must withdraw.

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

Mr. Speaker: Order!

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

Mr. Speaker: Order, hon. Members! You know that when I have already asked a Member to comply, he must first comply or refuse to do so before we go to anything else. I have said, as the Chairman of that Committee, that if there was a mistake, then it was committed by the Committee and not the Clerk. The Clerk did not dictate to the Committee, and he did not make the decision. So, Mr. Gatabaki, you are wrong. Will you apologise to the Clerk and to the House?

Mr. Gatabaki: Mr. Speaker, Sir, I want some guidance from you. Can hon. Maore give some

information on this issue before I answer that?

Mr. Speaker: Order, Mr. Gatabaki! You are the one who made that statement and not Mr. Maore. Under Standing Order No.76, you are singularly and not collectively responsible for any utterances you make in this House. It does not help you if another Member misinformed you and you come and misinform the House. It is you who made the statement and not Mr. Maore. It is you who I am dealing with. So, will you now withdraw those words?

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

Mr. Speaker: Order, Mr. Mwenje! Will you become a little orderly? Mr. Gatabaki, proceed!

Mr. Gatabaki: Mr. Speaker, Sir, whenever I stand up to speak here, I speak facts. I am willing to substantiate those allegations on another day, but as early as possible. As for now, I stand by my words.

Mr. Speaker: Order, Mr. Gatabaki! First of all, I would like to say this to hon. Members. I have heard so much about integrity, democracy and respect for institutions which is the foundation of any democratic Government. The rules are that you state what is true, but I have told you that it is untrue because I am the Chairman of that Committee. Mr. Nyachae has stated the same about it. I would not like hon. Members to stand up here and falsely accuse members of staff on things that are not true, knowing very well that those members of staff cannot defend themselves on the Floor of this House. It is regrettable, actually. So, Mr. Gatabaki, with the guidance from the Chair, who knows everything about the issue at hand, will you withdraw those allegations which you have made against the Clerk? If you have anything about the Committee, you are at liberty to say so. But on this score, I am sure that the Clerk had nothing to do with it. Will you now withdraw?

Mr. Gatabaki: Mr. Speaker, Sir, the whole of this House has been waiting for the offices there. This issue is very crucial to this House and the nation at large.

Mr. Speaker: Order, hon. Gatabaki! Hon. Members, you all know the problems affecting the Members with regard to office space. That is the reason why we acquired County Hall and Continental House. But we cannot build it with our hands. We need money from this House. When we look at the Estimates now, there is money for the renovation of Continental House. I would hate it to be said again that it is the Clerk who has got it out of his pocket to renovate it. Please, withdraw that allegation now because it is about time to interrupt the business of this House. Please, Mr. Gatabaki.

Mr. Gatabaki: Mr. Speaker, Sir, for the first time in our history, we have got a Minister for Finance whom we trust.

Mr. Speaker: Are you withdrawing or not?

Mr. Gatabaki: Mr. Speaker, Sir, I am saying that we have got a Minister for Finance whom we want to support because he is talking facts. He has clearly stated that mistakes have been committed---

Mr. Speaker: Are you withdrawing those allegations or not?

Mr. Gatabaki: Mr. Speaker, Sir, I am saying that we have hon. Nyachae who has boldly stated that the economy is in shambles.

Mr. Speaker: Order, Mr. Gatabaki! Will you withdraw that allegation against the Clerk? Will you, please, do that?

Mr. Gatabaki: Mr. Speaker, Sir, please, listen to me. There is a Motion of censure against the Clerk from this side of the House. We are discussing an issue which is so crucial to this House because we want to cut down on Government spending.

Mr. Speaker: Order, Mr. Gatabaki! I think you are making me impatient unnecessarily. If you have a Motion against anybody, do not anticipate it. You know the rules of the House. You will have the liberty to say whatever you want to say, but for now, the hon. Minister has told you the facts and the Chair has also told you the facts as far as this issue is concerned. Will you now comply with my order? Will you or will you not?

Mr. Gatabaki: Mr. Speaker, Sir, can I, as a Member of this House, be given the usual facilities of substantiating on this issue?

Mr. Speaker: Order, Mr. Gatabaki! If it is your attitude that you will never respect the Chair, or you cannot believe what it says, I do not understand what kind of democracy you are ever looking for. Parliament runs on rules. Once you have been ordered to do something, there are only two options; either you refuse or you comply. I have given you sufficient time to comply or refuse. Why do you not do one of the two, so that we can do other business? I have been very patient.

Mr. Gatabaki: Mr. Speaker, Sir, I am shocked! I have told you the facts and I do not understand what you are looking for.

Mr. Speaker: Order, Mr. Gatabaki! I think I am shocked too! I am absolutely shocked by your behaviour. From what I can see, you are refusing to withdraw. I have no option but to say that your continued

refusal to comply with the orders of the Chairman amounts to misconduct, and since we have got only one minute--- In fact, time is over. I think there is no much time to punish you. But let the law take its course even if it is for one second. You should leave now.

(Mr. Gatabaki withdrew from the Chamber)

Mr. Maore: On a point of order, Mr. Speaker, Sir. My point of order has been occasioned by the exchanges between you and hon. Gatabaki that I had information to do with the Clerk and the purchase of Continental House. I want to state that I did not have information about the Clerk and the purchase of Continental House. The gist of my Question, which you gave a very lengthy ruling on, was the issue that the Official Receiver had off-loaded the building at Kshs225 million to Ajay Shah, and it was organized by Members of your committee to acquire it at Kshs465 million, when we could have acquired it directly from the Official Receiver. That was the gist of my Question, and that amounted to, actually, stealing of public funds.

Mr. Speaker: I suppose, if he had explained what you said, your opinion notwithstanding, it would have made some sense. At least, you have come out clean that you are not the source of the information, for which the Chair is very thankful.

Hon. Members, I did inform you the last time that by the time Parliament was purchasing Continental House, it was not at all in the hands of the Official Receiver. It was in the hands of a third-party. How it got there, the Committee did not know.

ADJOURNMENT

Mr. Speaker: Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.40 p.m.