

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 6th June, 1995

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following paper was laid on the Table:
The Economic Survey of 1995

(By the Assistant Minister, Office of the Vice-President and Ministry of Planning and National Development (Mr. Oyondi) on behalf of the Vice-President and Minister for Planning and National Development.)

ORAL ANSWERS TO QUESTIONS

Question No.230

CONSTRUCTION OF DIVISIONAL HEADQUARTERS

Mr. Speaker: Hon. Members, this Question is going to be deferred.

(Question deferred)

Next Question, Mr. Murungi!

Question No.112

FUNDS FOR NYAYO TEA ZONES

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

(a) how much money Nyayo Tea Zones Corporation (NTZC) received both from the Government and foreign sources since its inception;

(b) how much money the corporation has earmarked for improvement of Nyayo tea roads in the 1994/95 financial year; and

(c) how much of this amount has been earmarked for Nyayo tea roads in Meru District.

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

(a) The NTZC has received a total of Kshs470,737,869 as Government grants. No funds have been received from donors or foreign sources since its inception.

(b) There are no funds which are earmarked for Nyayo tea zones in the financial year 1994/95.

(c) As indicated in (b) above similar funds have not been earmarked for Nyayo tea zones roads in Meru District in the 1994/95 financial year.

Mr. Murungi: Mr. Speaker, Sir, since Nyayo tea zones cover about 4,000 hectares of tea around forests,

will the Assistant Minister explain what programme they have of grading roads within the tea zones?

Mr. Sunkuli: Mr. Speaker, Sir, the hon. Member is aware of the different sources of finance available to the Government for construction of roads. Those are the sources which will be used in the case of the Nyayo tea zones roads.

Mr. Gitau: Mr. Speaker, Sir, will the Assistant Minister confirm or deny that the Government has totally forgotten and neglected Nyayo tea zones in some areas? I am in particular talking about Gatundu Nyayo Tea Zones, which are now covered by bushes and have no tea at all at the moment. Will he confirm or deny that they have given up the running and husbandry of Nyayo tea zones in certain areas?

Mr. Sunkuli: Mr. Speaker, Sir, I deny that!

Mr. Wamae: Mr. Speaker, Sir, would the Assistant Minister tell this House whether the Government will subdivide the land occupied by the Nyayo tea zones and allocate it to poor people, who can look after the tea?

Mr. Sunkuli: Mr. Speaker, Sir, the Government is not prepared to subdivide the Nyayo tea zones land and give it to poor people or to anybody else. This is because the Government is perfecting the management of the NTZC. We have taken several measures to ensure that we obtain extra funds to ensure that we run these tea zones efficiently. Therefore, the question of giving the land to anybody else does not arise.

Mr. Mbui: Mr. Speaker, Sir, is the Assistant Minister aware that in some areas animals are grazing in what he is calling Nyayo tea zones?

Mr. Sunkuli: Mr. Speaker, Sir, I am not aware of that. But I promise the hon. Member that I will investigate this particular matter for purposes of instituting criminal proceedings.

Mr. Murungi: Since the Government is not investing any money in roads or in tea factories or in building tea collection centres, can the Assistant Minister consider scrapping the NTZC, because it is merely exploiting tea growers in this country?

Mr. Sunkuli: Mr. Speaker, Sir, I thought the hon. Member was going to say that since the Nyayo tea zones have not been quite productive he was calling upon the Government to ensure that they become productive. He is not denying the need for the Nyayo tea zones. It is not true that the Government has neglected the Nyayo tea zones. The question of putting up factories is not cost-effective at this particular stage in the development of the tea zones. But I do not think it really calls for a lot of scepticism, for everybody can see what kind of commitment we have, as a Government, to ensure that the Nyayo tea zones develop to become economically viable units. We cannot just throw them away by laughing at them or by bringing tribal politics into the whole thing.

Mr. Speaker: Next Question, Dr. Otieno-Kopiyo!

Question No.179

VARITIES ACADEMIC STANDING

Dr. Otieno-Kopiyo asked the Minister for Education:-

(a) whether he can advise on the academic standing of our public universities with respect to the Commonwealth Universities Association; and

(b) whether he could inform the House whether our graduates are admissible to graduate programmes in major universities in the world without any preconditions.

The Assistant Minister for Education (Mr. Komora): Mr. Speaker, Sir, I beg to reply.

(a) Public universities in Kenya are full members of the Commonwealth Universities Association. No institution will qualify to be a member of that association, unless it has the required standards.

(b) Graduates from our public universities are admissible to post-graduate studies both in Kenya and abroad without much difficulties.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, given the reply from the Assistant Minister could he confirm to this House that because of the high lecturer/student ratio, overcrowding and congestion and lack of current journals and materials at our public universities the standards have fallen so low that most Commonwealth universities are insisting that Kenyan graduates take foundation courses before they are allowed to proceed and take post graduate courses?

Mr. Komora: Mr. Speaker, Sir, nobody is allowed to take any course unless he or she meets the requirements of that particular university. I am not aware---

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir. I have already explained to the Assistant Minister the reasons for the poor standards. These include impractical situations like where you have one lecturer to 200 students taking a course in physics or chemistry. At Moi University, some students have to sit outside and listen to the lecturers through the windows, and this is lowering the standards. He cannot deny what we know as public knowledge. Could he just then face this issue and tell us?

Mr. Komora: Mr. Speaker, Sir, I hope the hon. Member will allow me to complete the answer before he

raises a point of order. We are not aware of any falling standards to the extent of our university graduates not being admitted to any post-graduate courses.

Mr. Munyasia: Mr. Speaker, Sir, is the Assistant Minister aware that at Moi University, for instance, medical students will not have seen any corpse in their laboratory, up to the fourth year? If that is the situation, can he tell us that graduates of medicine from Moi University can be, or, have been admitted easily to other universities for post-graduate work?

Mr. Komora: Mr. Speaker, Sir, this question was so general that there was no time for me to do research with regard to every course that is being undertaken in our universities. If there are any particular problems with regard to any course in the universities, we will investigate that. However, I am not aware of any medical students being denied the opportunity for post graduate studies anywhere.

Mr. Karenga: Mr. Speaker, Sir, since it is common knowledge that the standards of education in our universities have gone down, whether the Assistant Minister wants to believe it or not, could the Ministry consider reverting to the old system of education and discarding the 8-4-4 system?

Mr. Komora: Mr. Speaker, Sir, it is not common knowledge that our university education standards have fallen. On the contrary, we are doing everything possible to raise the standards of education in this country. So, the question of reverting to the old system of education, which has been proven to have a lot of faults, does not arise.

Mr. Nthenge: Mr. Speaker, Sir, does the Assistant Minister realise that unless we stop interfering with universities, our standards will keep on going down, and the best teachers will run away to better countries where they will have intellectual freedom?

Mr. Komora: Mr. Speaker, Sir, I take very good note of the hon. Member's intention not to interfere with the studies at the universities. We certainly do not want any interference. We would like students to have adequate time to study. I am not aware of any undue interference from anybody on the part of the Government.

Mr. Rotino: Mr. Speaker, Sir, now that the Assistant Minister has been made aware that the standard of education in this country is deteriorating, could he promise this House that he is going to investigate, and if what the hon. Members are saying is true, take the necessary action as soon as possible?

Mr. Komora: Mr. Speaker, Sir, I am glad the hon. Member has said that he is not even sure that what hon. Members are saying is correct because, in fact, I am not aware of what the hon. Members have said. However, I would like to add that any education system is always under investigation and improvement.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, since most countries in the Commonwealth like India, South Africa, Tanzania, Uganda and Britain use the 7-4-3 system and, given the fact that our 8-4-4 system is out of tune with these arrangements, could the Assistant Minister consider reverting to the old system so that we can achieve academic collaboration with the others?

Mr. Komora: Mr. Speaker, Sir, I have already stated that the question of reverting to the old system, which has been found to have a lot of faults, does not arise. On the contrary, the new system is aimed at improving the education of our children and offering them the broad education that is required in life.

Mr. Speaker: Next Question, Bishop Kimani!

Question No.199

ALLOCATION OF BURSARIES

Bishop Kimani asked the Minister for Education:-

- (a) if he could tell the House how much money has been allocated to Nakuru North Constituency as education bursaries for the poor families this year (1995); and,
- (b) if he could give the names and locations of those who have benefited.

The Assistant Minister for Education (Mr. Komora): Mr. Speaker, Sir, I beg to reply.

(a) The Ministry has allocated a total of Kshs368,377 to Nakuru North Constituency as bursary for the poor bright students in the public secondary schools.

(b) At present, it is not possible to give, in detail, the names of the students and locations of the beneficiaries since most schools' Boards of Governors have not yet concluded the exercise of approving those recommended by teachers.

Bishop Kimani: Mr. Speaker, Sir, arising from the answer given by the Assistant Minister, I feel that he is misleading this House because, if this money was issued to Nakuru North Constituency and it has been donated to schools, why are there so many students who cannot afford to go to schools and have been expelled? I do not understand why they have not been considered. If this money was released, the teachers could not have taken all that time. He should give us the names of the people who have been given this money and their locations. Since this is not being provided, I think this money has not come to Nakuru North. Could the Minister, therefore, consider

ensuring that the bursary funds have been provided for my Constituency so that these poor students can benefit? Now, there is a major problem because there are so many students who cannot go to school. Could he assure this House that these bursary funds will be released? This amount of Kshs 368,377 is not enough. My Constituency is very populated ---

Mr. Speaker: Bishop Kimani, I realise that you would like to continue, but I do not have the time!

Bishop Kimani: Could the Assistant Minister assure this House that this money will be released to my people?

Mr. Komora: Mr. Speaker, Sir, I hope the hon. Member will conduct a Harambee to supplement what we have provided. On our part, we will certainly make sure that the poorest students get consideration.

Mr. Ndicho: Mr. Speaker, Sir, the Minister for Education announced last year that he had allocated bursary money to various districts. He said that he had allocated Kshs1 million to Kiambu. There was nothing like that. I followed up that money in Kiambu because that was the time that Thika District had been formed. Now, can the Assistant Minister ---

Mr. Speaker: Order, Mr. Ndicho! Is Kiambu part of Nakuru North Constituency?

Mr. Ndicho: Mr. Speaker, Sir, this is money that was given by the Ministry to all districts in this country. However, let me ask the question: Can the Assistant Minister tell us who is eating this money? The Ministry gives out this money and before it reaches the schools, including those in Nakuru North Constituency, it disappears in thin air. This is the case in Kiambu and, I believe, also in Nakuru North. Who is eating this money, Mr. Assistant Minister?

Mr. Komora: Mr. Speaker, Sir, I am not sure that this money is for eating. It is certainly for meeting the educational costs of students in the various secondary schools. Its use is properly supervised by the Boards of Governors. I hope the hon. Member is aware that he is a member of that Board.

Dr. Lwali-Oyondi: Mr. Speaker, Sir, bearing in mind the size of Nakuru North as I know it and, looking at the money allocated to it, also, bearing in mind that the schools there are paying between Kshs7,000 to Kshs15,000 does the Assistant Minister not consider this to be a very small amount of money for such a large area, especially, since we know that certain places are getting up to Kshs100,000 per school?

Mr. Komora: Mr. Speaker, Sir, in relation to the size and number of classes in this constituency, the amount is very fair.

Bishop Kimani: Mr. Speaker, Sir, this money does not even reach the poor people; it is squandered somewhere else. Is the Assistant Minister aware that those who did their 'O' level examinations two years ago have not been given their result slips because they are unable to pay their school fees? Could he, therefore, consider ordering for the release of these result slips immediately this money comes? They should be serious.

Mr. Lengees: Mr. Speaker, Sir, the funding started in 1994, but not before then.

Question No.237

AWARD OF NSSF CONTRACT

Mr. Speaker: This Question is deferred.

(Question deferred)

Question No.238

MINISTRY'S DEBT TO COUNCIL

Mr. Speaker: Is Mr. Gichuki not here? We will leave his Question until the end. Let us move on to the next Question, Mr. Mathenge!

Question No.154

LOANS FOR MAJENGO RESIDENTS

Mr. Speaker: Mr. Mathenge is also not here. We will leave this Question as well. Next Question, Mr. Mak'Onyango!

Question No.067

DELAY TO PAY COUNCIL STAFF

Mr. Mak'Onyango asked the Minister for Local Government:-

- (a) if he is aware that employees of Siaya Municipal Council have not been paid their salaries for the last six months and if so, why; and,
- (b) if he can tell the House the steps he is taking to ensure that no such delays in salary payments occur in future.

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

(a) Yes, I am aware that employees of Municipal Council of Siaya have not been paid their salaries for the last five months.

The Council's sources of revenue appear not to have been fully exploited, and this could have led to the Council's failure to pay salaries in time.

(b) However, the Council is making efforts to step up revenue collection with a view to getting enough money to pay salaries.

My Ministry has also advised the Council to step up the collection of rates and rents from plot allottees and to review valuation rate rolls in order to collect more revenue.

Mr. Mak'Onyango: Mr. Speaker, Sir, arising from that answer, can the Minister tell this House what became of the Kshs4 million which the Ministry promised a group of councillors who were being lured to defect to KANU in November, 1994 and whom the Minister met and undertook to give Siaya Municipal Council and its sister, Siaya County Council, the same amount? What became of this Kshs4 million which could have been used in paying staff salaries?

Mr. Walji: Mr. Speaker, Sir, the money which was requested for by the Siaya County Council was for particular projects and not for paying out salaries of the staff. The money for paying the staff comes from the revenue collected by the Siaya Municipal Council and I think they should make more efforts to collect more revenue and also try to revise the methods they use to collect revenue so that they can get more revenue instead of relying on the Ministry contribution because it cannot be used for paying salaries.

Mr. Ojode: Mr. Speaker, Sir, since Siaya does not have any industry, can the Minister make arrangements to make payments directly from the Ministry of Local Government because we are having the same problem in Homa Bay. The workers of Homa Bay Council have not been paid for the last six months up to this moment. Could the Assistant Minister consider making arrangements to pay workers directly from the Ministry Vote other than waiting for revenue which is being collected as we do not have industries within Homa Bay and Siaya?

Mr. Walji: Mr. Speaker, Sir, as I have said in the past, when a Municipal Council is upgraded, we make sure that they give us proper report that by upgrading a particular town council to a Municipal Council, they can afford to stand on their own feet. In this case if the money which will be given by the Ministry will be used for paying salaries and enough revenue is not collected, then after six months, the same problem of non-payment of staff's salaries will recur. Instead of that, it is better to degrade the Municipal Council back to the town council so that the expenses are less.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, given that this problem is prevalent all over the country, what master plan does the Ministry have to design a mechanism for all councils within Kenya so that they have the capacity to raise revenue to pay salaries? It is a problem that is affecting people from Malindi all the way down to Homa Bay. What grand mechanism do you have in place for this?

Mr. Walji: Mr. Speaker, Sir, at the moment my Ministry is making sure that these people collect enough revenue and reduce the staff because most of the Municipal Councils are overstaffed and that one reason---

(Applause)

I think the Ministry is trying to ask the municipal councils to reduce their staff so that they can meet their expenses and not rely on the Ministry itself because the Ministry gets very little money from the Treasury every year and cannot afford to pay all the Municipal Councils throughout the country.

Prof. Ouma: Mr. Speaker, Sir, I have listened very keenly to the answers that the Assistant Minister has given to the question which Dr. Otieno-Kopiyo asked. First of all, what the Assistant Minister says will not solve the problem. It is the question of management or mis-management. To say that they are going to do a few things like trying to reduce the number of employees and to collect enough revenue is not the answer.

Could the Assistant Minister tell us what systematic steps they are going to take to ensure that this time the management of revenue collection and the management of revenue disbursement will work?

Mr. Walji: Mr. Speaker, Sir, if it becomes necessary, we will appoint a commission of inquiry to look into the question of whether the revenue being collected is being mismanaged.

Mr. Rotino: Mr. Speaker, Sir, the hon. Member has asked a specific question. These are recurrent problems and we have problems with councillors all over the country. Could the Assistant Minister be specific and tell the House what measures the Ministry is taking to sort out these problems?

Mr. Walji: Mr. Speaker, Sir, so far no specific steps have been taken in that regard. But I would like to assure this House that in future we will try to make sure we adopt a certain system whereby all the municipal councils will work independently.

Mr. Mak'Onyango: Mr. Speaker, Sir, proper functioning of local authorities is vital for the success of these institutions. These local authorities have social contracts with employees. The extent to which the employees are going to be able to work to collect this revenue is going to be determined by whether or not the employer will have met his obligations to the employees. We have a situation in which these employees are not able to carry out their work. There is no way they are going to collect revenue when they themselves do not have money with which to operate. Could the Assistant Minister undertake to institute measures that will ensure that employees of each local authority get what is due to them in order to enable them meet their side of the obligation?

Mr. Walji: Mr. Speaker, Sir, a Commission has been appointed by His Excellency the President to look into the affairs of local authorities. I urge hon. Members from the Opposition to submit their memoranda to this Commission to enable us to see whether we can try to solve the problems facing local authorities.

Question No.216

RURAL POWER PROGRAMME

Mr. Speaker: Question No.216 will be deferred to next week.

(Question deferred)

Question No.116

ALL-WEATHER STANDARD FOR ROADS

Mr. Speaker: Also Question No.116 will be deferred.

(Question deferred)

Next Question, Mr. Muite!

Question No.147

SUBMISSION OF ANNUAL RETURNS

Mr. Murungi, on behalf of **Mr. Muite**, asked the Attorney-General:-

- (a) whether he is aware that Kenya African National Union (KANU), registered under the Societies' Act, Cap. 102, Laws of Kenya, does not submit annual returns as required by the law; and
- (b) if the answer to "a" is in the negative, when did the said Union last submit its annual returns.

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

(a) I am not aware not aware that the Kenya African National Union, KANU, has not been submitting annual returns as required by law.

(b) Since my answer to "a" is in the negative the last annual return was submitted on 21st March, 1995.

Mr. Murungi: Mr. Speaker, Sir, I wish to thank the Attorney-General for that answer. But KANU is notorious for disobeying the laws of this country and getting away with it and even defying the Attorney-General. Only the other day the Attorney-General asked KANU to drop the title "President" among its officials---

An hon. Member: How notorious is KANU?

Mr. Speaker: Order! I will not have any "mob justice" here. Proceed, Mr. Murungi.

Mr. Murungi: Mr. Speaker, Sir, I was saying that KANU has defied the Attorney-General by refusing to drop the title "President" from its officials. Among the names to be found in the annual returns are the titles and the names of the officers. Could the Attorney-General tell this House why he is so afraid of KANU that he cannot take any action against them?

Mr. Wako: I am not afraid of anybody under the sun, including KANU. As to the Question before the

House, the submitting of returns, I have a document here which shows that KANU has been submitting its returns.

Mr. Speaker, Sir, hon. Murungi is a FORD(K) Member and its short time of existence, FORD(K) has filed returns but not on time. The 1993 annual returns were filed on 6th April, 1994, out of time; the 1994 returns were also filed out of time.

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

Mr. Speaker: Order, Mr. Munyasia! One thing that hon. Members must learn to do is to be gentle enough to receive a little of their own medicine if they ask for it.

Mr. Murungi: Mr. Speaker, Sir, you are correct when you say that we should receive part of our own medicine but here we did not ask for our own medicine. We asked for KANU medicine!

(Laughter)

Mr. Wako: Mr. Speaker, Sir, I know the hon. Member very well. He is a Christian and I am sure he knows that the Bible says that if you want to remove the moults that is in your brother's eye, you should first of all remove the log that is in your eye so that you can see clearly what is in your brother's eye.

Dr. Kituyi: Mr. Speaker, Sir, considering the hurry in which the Attorney-General was attempting to detail the dates of filing of returns by FORD(K), could he proceed to do the same for KANU which was the substance of the Question?

Mr. Wako: Mr. Speaker, Sir, I can lay on the Table the document containing the figures.

Hon. Members: Do it!

Mr. Wako: In fact I can do that for all the parties.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, now that the question of whether parties can use the title "President" is still in contention, and given that the returns were filed in March, what was the title of the highest ranking officer in KANU?

Mr. Wako: Mr. Speaker, Sir, these are the returns for end of December, 1994. I will lay everything on the Table.

An hon. Member: Read it!

Mr. Wako: The President is His Excellency hon. Toroitich arap Moi, CGH, MP, of P.O. Box 40530, Nairobi. The Vice-President is the Hon. Prof. George Saitoti. As I said earlier, I can lay all the returns on the Table; for all the parties and I hereby lay them on the Table of this House.

(Mr. Wako laid the document on the Table)

Mr. Ogur: On a point of order, Mr. Speaker, Sir. Now that the titles "President and Vice-President" used by the Attorney-General are against his wishes could he now agree that he has taken his own medicine?

Mr. Wako: Mr. Speaker, Sir, I am of course aware that since I last mentioned this matter in this House, KANU has not yet had its annual general meeting.

Mr. Speaker: Mr. Mwangi Gichuki's Question for the second time!

Question No.238

MINISTRY'S DEBT TO COUNCIL

Mr. Speaker: Mr. Gichuki is still not here? The Question is dropped.

(Question dropped)

Question No.154

LOANS FOR MAJENGO RESIDENTS

Mr. Speaker: Is Mr. Mathenge still not in?

(Question dropped)

Prof. Ng'eno, you had a Ministerial Statement to make.

MINISTERIAL STATEMENT

ROADS MAINTENANCE LEVY FUND

The Minister for Public Works and Housing (Prof. Ng'eno): Mr. Speaker, Sir, I rise to give a Ministerial Statement on the question of the Roads Maintenance Levy Fund. My attention has been drawn to recent Press reports attributed by, among others, the hon. Mwai Kibaki, the Chairman of the Democratic Party (DP), in which he was quoted to have said that the Government, through my Ministry, has collected Kshs28 billion under the Roads Maintenance Levy Act in the past one year. The report further imputes that no road has ever been maintained by money so collected.

Mr. Speaker, Sir, I wish to correct the wrong impression created by the report, that such a huge amount of money has been collected by my Ministry in just one year. The Fund was projected to raise Kshs1.5 billion in the current financial year as indicated in the Printed Estimates, a public document of which hon. Kibaki is aware. The hon. Member who has been a Vice-President and Minister for Finance in this country knows, very well that the figure he has quoted is far from being true, and it is unfortunate that members of the public can be misled through such utterances.

Mr. Speaker, Sir, I wish to inform this august House that contrary to claims by hon. Kibaki, that Kshs28 billion had been collected by the Fund, in fact, Kshs1,064,521,230 has been collected to date, which is still less than the projected Kshs1.5 billion. I wish, further, to take this opportunity to assure the House that all the money collected through the Fund has been spent on the maintenance of roads and that every cent will be accounted for at the end of the financial year.

Mr. Speaker, Sir, any money collected in excess of the Levy projection should have been paid to the Exchequer as extra revenue but cannot be spent by the Ministry of Public Works and Housing without the approval of Parliament. There was no such an excess, because my Ministry in the current Financial Year 1994/95, had a total allocation of Kshs7,466,967,560 for both Development and Recurrent expenditure. The figure includes the Kshs1.5 billion which was projected to be realised as Appropriations-in-Aid through the levy. It is, therefore, unfortunate that a person of hon. Kibaki's standing can come up with the far fetched astronomical figure of Kshs28 billion as having been realised from the Levy. Claims by hon. Kibaki, that the Government ordered the Ministry of Public Works and Housing to repair all roads in Machakos town before the forthcoming by-election to woe the voters are also as false as they are misleading. In fact, Mr. Speaker, the roads were repaired as per Ministry's programme that but because of the by-elections occasioned by the death of the late hon. John Kyalo, the immediate former Member of Machakos Town. Repair of the road started on 5th April, 1994 and ended on 21st March, 1995. The late hon. Kyalo died on 26th February, 1995. In another development, this House will recall recent utterances by Kimilili Member of Parliament, Dr. Mukisha Kituyi, that the Government had withdrawn Kshs.800 million allegedly allocated to Bungoma District by the Ministry for the maintenance of roads. The reality is that my Ministry had actually allocated and dispersed to Bungoma District, Kshs8,371,200 for maintenance of roads in the current Financial Year, none of which has been withdrawn.

Mr. Speaker, Sir, it is clear that some Opposition Members of this August Assembly have reverted to shameless untruth against the Government by trying to malign the good name of the Government in their own efforts to enhance their ill conceived political ambitions. It is unfortunate that such hon. Members are making untruthful, malicious and misleading statements in regard to important Motions and Bills passed by them in this same August House, records of which are held in public offices, which they are now totally disregarding. I wish to challenge hon. Members like hon. Mwai Kibaki to familiarise themselves with official documents, especially the printed estimates to which they have acted, anyway, before they make misleading statements which are intended to dent the good name of the Government for their own selfish ends. Thank you.

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

Mr. Speaker: Order! Order! Order! I have two very short communications, and I will make the first one.

COMMUNICATIONS FROM THE CHAIR

PRESENCE OF ZAMBIAN CLERK OF
THE NATIONAL ASSEMBLY

Hon. Members, it is with great pleasure that I welcome the distinguished Clerk of the National Assembly of Zambia who is seated in the Speaker's Row. Mr. Mwelua Chibesakunda is here on attachment programme with the Clerk's Chambers during the period between the 3rd to the 10th of June, 1995. Hon. Members will recall that

Mr. Chibesakunda participated as one of the resource persons during the orientation seminar for Members of this Parliament held in August 1993. As a matter of fact, Mr. Chibesakunda is the Head of Clerks of the Commonwealth Parliaments, as he has been in that position since 1967. May I take this opportunity on behalf of all of us, to wish our special guest a pleasant and productive stay in Kenya.

(Mr. Chibesakunda stood up in his place and nodded)

(Applause)

ALLOCATION OF GOVERNMENT HOUSES\PLOTS

The second one, before we adjourned, I received a written notice from the hon. Member for Kisumu Rural, Prof. Anyang-Nyong'o, of his intention to raise on a Motion of Adjournment under Standing Order No.18 a matter contained in a reply to a Question No.139 concerning the allocation of Government plots and houses in Nairobi and Kisumu given on 25th April, 1995. I will, therefore, call upon Prof. Anyang-Nyong'o to move the Motion for Adjournment at the time of interruption of business on Thursday, 8th June, 1995.

Next Order!

(Several Members stood up in their places)

What are the hon. Members standing for? What is it, Mr. Ndwiga?

Mr. P.N. Ndwiga: Mr. Speaker, Sir, I stand on a point of order under Standing Order No.20 to request that the House do now adjourn to discuss a matter of urgent national importance. The issue here is that--

Mr. Speaker: Order, Mr. Ndwiga! First of all, have you complied with the provisions of Standing Order No.20? Have you given me notice in writing?

Mr. P.N. Ndwiga: Yes, I gave you notice in writing, Mr. Speaker, Sir.

Mr. Speaker: When? Where is it?

Mr. P.N. Ndwiga: But I saw you, Mr. Speaker, Sir!

Mr. Speaker: Order, Mr. Ndwiga! There is a difference between expressing an intention and complying with the Standing Order which require that two hours before the sitting, you do give notice in writing to Mr. Speaker. I want to take hon. Members in confidentiality and I think it is sufficient that the hon. Member has not complied with that Standing Order. I know what is bothering you and I do sympathise with you. But it is also your duty to comply with the relevant Standing Order. If you really want to be on your proper footing to stand in this House, then please follow the provisions of the Standing Orders and I will give you all the indulgences you require.

Next Order!

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. I need a clarification on the communication you have just made in that---

Mr. Speaker: Dr. Lwali-Oyondi, we have already passed that stage and the communication from the Chair will not bar you from taking any action to get that particular issue answered. If you want anything about that, please, put a Question either private or public and you have the chance.

Next Order!

BILL

Second Reading

THE HIGHER EDUCATION LOANS BOARD BILL

(The Minister for Education on 9.5.95)

(Resumption of debate interrupted on 9.5.95)

Mr. Speaker: I believe Mr. Ndicho was on the Floor.

Mr. Ndicho: Mr. Speaker, Sir, it is very important that the Minister for Education is present here to hear my objection on this Bill and I have had the opportunity to go through this Bill when we went on recess. There is a lot of noise in the House.

(Loud Consultations)

Mr. Speaker: Order! Order! All those hon. Members intending to take their leave, you have the right to do so, but the House also has the right and duty to continue. So, please, take your leave quietly.

Proceed, Mr. Ndicho!

Mr. Ndicho: Mr. Speaker, Sir, thank you. I was saying that I found that the intention of this Bill is very important and crucial in as far as education of our children is concerned. This Board is going to be very strong and it will have millions and millions of money at its disposal. So, it is the concern of all Kenyans that this money that is going to be entrusted to this Board will be expended in the right manner. Many other Boards have been established and a lot of money has been going to the wrong hands and not to the intended purposes. Therefore, I wish to start with Clause 4 that deals with the constitution of the Board. The Board constitutes the President and the Minister for Education. The people who have been floated to be appointed are all Government appointees. But because the Board is going to deal with a lot of money - millions and millions of money - I call upon the House to ensure that other officials such as tax officials are also incorporated into the Board. There should also be a renown lawyer into the Board. There should also be a member of the NGO since the Board is talking about soliciting for funds even outside the country. So, there should be people also from the NGOs. We have many Board established by the President and Ministers but they have all ended up embezzling funds that have been entrusted to them.

It is also important that this Parliament should have an official in this Board. We also wonder why the previous Board in the Ministry which was dealing with these loans is being removed from the auspices of the Ministry and making this Board operate independently. So, it is my submission that at least two hon. Members - one from KANU and one from Opposition - should also be in this Board to ensure accountability and transparency of the millions of money.

Mr. Speaker, Sir, when we come to Clause 6 where functions of the Board have been spelt out, these functions of the Board leave a lot to be desired.

(Mrs. Ndeti and Mr. Mulinge consulted loudly)

What is happening there?

Clause 6 contains many loopholes and many questions arise. For example, Clause 6(b) talks about soliciting funds and other assistance to promote the functions of the Board. The Minister does not say from where these funds will be solicited. If you go through the Bill, you will find that the Minister is talking about soliciting for these funds even from outside this country and I think the Kanu Government is always very scared of money from external sources. Now here they are talking of money that is solicited from foreign countries. So, we are also becoming scared and feel that there will be some risks involved in the amount of money that will come from European, Scandinavian countries, from those friends of the Opposition and Kanu. So, the Ministry is not explicit on the mode of soliciting for this money. In fact, in Clause 6(d) I have a lot to say but I want to confine myself to this Bill. There are a lot of things that happened during our recess period that need to be said.

In Clause 6 (d) the Minister is talking about the Board receiving gifts, donations, grants or endowments made to the Board, and to make legitimate disbursements therefrom. My submission is that in all these donations and amounts of money there must be a watchdog to oversee how they are going to spend all this money that they are going to be receiving otherwise this Board in the long run will be too powerful a board. It will be like another government running parallel with the KANU Government. This is why Kanu Government is strong today and why they defeated us in the 1992 multiparty elections, was because they had lots of money, trillions and trillions of money and this is the time that we had the "Jirongos" and now the "Pattnis" have come up. So, this Board will be receiving in fact more money than the Government because by passing this Bill the Parliament will be giving the Secretary and his members a blank cheque. This Government might be running at some risks and possibly the money to overthrow it will come from this Board because it has been given a lot of money and yet its position is very minimal and the Minister just does not care about it. The person who drafted this Bill must be scrutinised. We do not know whether he is after the overthrow of the Kanu Government or what he is after.

In Clause 6(g), the Minister is talking about granting loans out of the Funds, either with or without security. That is a very big loophole. It is talking about giving students in this country who want to go for further studies money, but it is not specifying the amount of money that is supposed to be granted. It is not giving the baseline or the maximum amount of money that one can receive. So, you can see that it is a Bill that is going to be misused and which

is going to be abused by the people who were entrusted with it. When the Minister talks about giving loans with or without security he should tell us, when replying, what category of students will receive this money without security and which students in the same group will receive the money with security. I am entitled to observe that possibly the students who will be required to provide security are those from the Opposition zones while those from the KANU zones will receive the money without security. So, I think the Minister will have to tell us who will be receiving the money without security and who will be receiving it with security. It is also very dangerous for the old men in the villages to give their title deeds as security. If an old man gives his title deed as security for the loan of his child who has joined a university or to any other institution of higher learning and he has about five children and owns one piece of land then it means he can only give his title deed to one child. When the other children come along and join universities there will be no security to be offered. It means that if a mzee has got about three, four or five children and he has got only one security in form of a title deed, it is only one child who will benefit from that title deed.

In Clause 6(i), the same Board is given another blank cheque of investing this money. It talks about investing any surplus funds not currently required for the purpose of the Board. How can an Educational Board like this one which is trying to give loans to students in this country surely, have surplus money? Does it mean, Bw. Waziri, that we shall have few students yet we are told that we have about--- How many students do we have Bw. Waziri?

Mr. Speaker, Sir, I think he talked about 25,000 students in high school who will benefit from these funds and he is telling us that if this Board will have surplus funds they should be invested in other areas. I wonder whether surely every student in this country who is in need of higher education will have been given the loan? I am also wondering whether the 25,000 students who left Form Four last year and qualified for higher education and those who left in the past years will all be given loans and the Board will have surplus to invest. This Board will be like National Social Security Fund (NSSF) which is receiving a lot of money from workers and because this Parliament passed a Bill here to allow it to invest money into various investments you find that it is one of the richest organisations with a lot of plots in this country and in this City in particular. If a plot is grabbed and you want to buy it very cheaply with exaggerated amount of money, you are just referred to NSSF because it is swimming in trillion and trillions of shillings, taxpayers' and workers' money. So, when the Minister is talking about investing any surplus amount of money in this Board we are sure that this Board will be just like NSSF. If one defects from the Opposition and goes to Kanu he is given a plot in Industrial Area, Capitol Hill or wherever the plot will be and he will be referred to this Board where the Board will be told to buy so and so's plots at Kshs5 million or Kshs10 million when in fact it would be worthy about Kshs600,000. That is what is happening. So, this is another Bill that surely every right thinking Member of the Seventh Parliament will hesitate to support and pass. We feel that all the money that is going to be raised, all the money that is going to come into this Board will be misused as other monies have been misused by other Boards and other organisations and we know all of them in this country.

The Minister has not also specified which students can get loans. When he talks about students I am sure there are Members of Parliament, after they are possibly defeated in coming backing to Parliament who would like to continue with their studies. I wonder whether they would qualify in this category of students.

In finishing up with that clause, suffice for me to say that this is a lot of money that would be entrusted to untrustworthy civil servants as it has been happening to other organisations. I quite support His Excellency the President in his Speech on Madaraka Day when he said that he no longer fears the Opposition. He is now fearing the civil servants because they are the people who are undermining his government. I do not know why the President observed that but there is a lot of truth in that. If you look at the education system in Kenya and even for example, the School Milk Programme which was initiated by the President, it is the civil servants who abused the project by stealing money that was meant for the milk programme, by mismanaging that programme and so on. Right now we had a Question about the Bursary Fund where the Minister for Education announced that every district is getting Kshs1 million as bursary fund to help students continue with their education. We raised the objection here because I went to Kiambu where I belonged before we were given the new Thika District. We feel that all the money that the Board will raise will be misused like other monies have been. My intention was that, since the current Thika District was part of Kiambu District, this money should have been divided into two halves so that Kiambu and Thika Districts got Kshs500,000 each. However, we were told the money had not arrived and I do not know whether eventually it will come.

Mr. Speaker, Sir, I also want to thank the President for the removal of the former Kiambu District Commissioner (DC), Mr. Samuel Oreta. This is one civil servant who was always complaining that teachers were coming to do business in Nairobi and I quite agree that possibly that is why educational standards in that district are very low, but it was also his onus to ensure that every Government programme was going on smoothly. But Mr. Oreta was rarely found in his office because he was always out looking for plots to grab and sell; even when money for education used to disappear from the district. When you tried to follow it up, the District Education Officer would tell you to ask the DC. It is wrong to give DCs so much powers; DCs are the chairmen of everything in the districts! So, I would like to ask the Minister for Education, who is a good friend of the President of this country, to tell the

President that the people of Kiambu are very happy about the removal of Mr. Samuel Oreta from Kiambu. We will assure the Minister for Education that in this year he will see some change in educational standards in that district.

The Minister for Education (Mr. Kamotho): On a point of order, Mr. Speaker, Sir. Is the hon. Member really in order to speak on behalf of the people of Kiambu while we know very well that he represents the people of Thika?

Mr. Ndicho: Mr. Speaker, Sir, the Minister does not know that I am the acting Ford(A) Chairman in Kiambu and Thika Districts. In any case, I was born in Kiambu very many years ago before I moved over to the present Thika District.

Clause 6(a) states:-

"...borrowing such monies from such sources and in such amounts as may be approved by the Minister with the concurrence of the Treasury and secure such loans in such manner as they deem fit".

We, in this House, have no time to read and scrutinise Bills. In this clause, the Minister is talking about borrowing such monies from such sources from wherever they deem fit. Honestly, this Government does not need to give the Board a leeway to look for money from wherever it deems fit. First of all, this country has a lot of money which is paid by its citizens in form of taxes. Right now the Government is receiving billions of shillings from the petroleum levy which was approved by this House. If the Government were serious about the education of this country's young generation it would be transparent in the collection of money. Money from the petroleum levy is doing nothing. Right now I am paying Kshs29 per litre of petrol and yet the Kenya Consumers Organisation has said that even if we pay Kshs20 per litre, the Government will still make a lot of money. I know that you, Mr. Speaker, Sir, also pay a lot of money from Dundori to Nairobi.

Mr. Speaker: Order! By the way, Mr. Ndicho, the home of the Chair is here! But, proceed!

Mr. Ndicho: Mr. Speaker, Sir, I am saying that if the money from the petroleum levy is not being used to construct roads it can then be used to educate the young generation of this country. But we do not know where that money goes. The other day road work started at Muthaiga towards to Thika, but when it reached the road to the late President Kenyatta's home it stopped abruptly. Why did the work stop there? So, the fact of the matter is that the Government has enough money which it raises from taxes. As I said last time, parents in this country would surely not need loans to educate their children if the KANU Government paid them money for products like tea, milk, pyrethrum, sugar-cane and other cash crops which they deliver to State corporations. The other day, a road started from Muthaiga to Thika, but it stopped mid-way. When I asked about this, I was told: "Mr. Ndicho, do not talk about roads any more. Your road has been done now from Muthaiga to Thika". I said; "okay, this is the money that Kenyans and motorists are paying, but why did that road stop there?" Anyway, that is not the subject. The subject is: The Government has enough money that it collects from taxes and other monies that are received in the Exchequer. As I said last time, the parents in this country would not need this money to educate their children if the KANU Government could pay them the money for which they deliver their coffee, tea, milk, pyrethrum, sugar and all other cash crops. If the farmers are paid that money, first of all, in time and also in full, there is no parent in this country who will bother to go to these Board to look for these loans. This is because, first of all, it will be burdensome and, secondly, it is not going to help anybody in the long run. We believe that this Board will start now, but after two or three years, it is not going to be there, like many other Boards before it which are no longer there.

The Minister says that the Board should borrow this money from other sources as it deems fit. How is this Board going to secure these loans? All our country is going to be mortgaged and then when all these old men are dead and gone, it is the young generation who will be asked to pay for these loans. The biggest loophole is where the Minister talks about taking out insurance for bad loans, such as deaths, incapacity or inability to pay, as the Board deems fit. The loophole here is that the insurance cover that the Minister is talking about relates to cases where some students, after the completion of, will be exempted from the payment of these loans because of three things. First among these is death. If a student dies, the Board will be compassionate and will not ask his parents to pay back the loan. However, what does the Minister exactly mean when he talks about incapacity or inability to pay? The Minister also says that the student will be paying the loan when he gets employed and, it is the employer who will be deducting one third or a quarter of the employee's salary and sending it to the Board. Can the Minister tell us what he means by incapacity and inability to pay? We suspect that this means that if you talk well and you are from a KANU zone, and you do not want to pay the loan, you only go and present yourself to the Board with a red shirt and a KANU tie, and then claim that you are unable to pay the loan and, pray that you be exempted from paying back the loan. The question I am asking is: What will be the criteria of measuring the incapacity and inability to pay the loans? So, you find that there are a lot of loopholes in the functions of the Board.

Mr. Speaker, Sir, I want to move very quickly because I want to give others a chance to speak. At the end, the Minister talked about the Board establishing or awarding bursaries and scholarships which it may consider necessary for the promotion of the objectives and functions of the Board. Surely, this Board is taken as a service

organisation and, therefore, there will be no need of raising money to promote it. It is a service Board to give loans to poor students from poor families in this country. So, why raise other monies to promote it? By promotion, does the Minister mean placing advertisements in the daily papers or television? What does he exactly mean? I am asking this Parliament, the Members from the Opposition and also from KANU, particularly those who have not spoken on this Bill to go and read it. I had the opportunity to read it for a whole month, so I have understood it very well. I am asking even KANU Members of Parliament to understand that this Bill has a lot of loop-holes and this Board is absolutely unnecessary. This is because there was another Board under the auspices of the Ministry and it was possibly doing what this Board is being asked to do. Why should we bring in other people who will be earning money from this Board? This is because the Bill is talking about employing other people, whereas, there are a lot of people in the Ministry of Education who are doing a lot of nothing in that Ministry. It would have been better to get some personnel in that Ministry and establish this Board as a separate department to disburse these loans instead of creating a Board with a chairman, secretary and all those other people that will constitute this Board. I think this will be creating double roles and, thus, making other people stay idle in the Ministry.

Mr. Speaker, Sir, in clause 8(iii), the Minister talks of "appeal" in the sense that, if a student from Kangema wants to apply for a loan from this Board, and then he is denied the opportunity of receiving the loan, the Board has been given absolute powers and its verdict is final. I object to this. The Minister says; any person aggrieved by the decision of the Committee may appeal to the Board within 60 days from the date of such decision and in every such appeal, the decision of the Board shall be final and not subject to further appeal in any court of law. It means, therefore, that if a student comes from Kangema and he does not support hon. Kamotho there, then he might be denied a loan by this Board. If he appeals to the Board and then the Board might say; "you are not going to receive this money." If he asks the reason why, he might be told to go home to Kangema. This means that, that poor student will not get any protection from anybody, including a court of law. You can see what kind of a Board this is. It is even stronger than Parliament because, you, Mr. Speaker, will tell us that when matters are before Parliament, they cannot be taken to court, and matters which are in court cannot be discussed here. However, we are seeing a Board here, where, even if you are aggrieved, you cannot even go to a court of law, let alone Parliament. What kind of a Board is this? I have never seen such a Board since Kenya became independent or even when the Mzungu was here.

Mr. Speaker, Sir, as I have said, if you read Clause 12 of Part 3 it says:-

"that the sums of money which may from time to time be voted by Parliament for that---"

You find that the Minister still goes around to raise the money in United Kingdom, Bulgaria, South Africa, Russia and America. However, despite that, the Minister still talks about that Board getting money from this Parliament. My submission is this one: If this Parliament, of which I am a Member, is going to be asked to vote some money for this Board, then there is every reason why this Parliament should be a watchdog over this Board. Otherwise, there is no way we can give that Board all the money they want from Parliament on top of all the money they receive from abroad if students and young people in this country are going to be denied that money because of one reason or the other. There is no place where one can make an appeal, including this Parliament which gave out the money. How can you give money to somebody or an organisation, and once the money is in his pocket, you are told that you cannot appeal if you are aggrieved or when you want that money and you are denied the chance?

An hon. Member: Conclude your speech!

Mr. Ndicho: Mr. Sunkuli, I have got a lot of things to tell you! If we do not have Parliament as a watchdog, then we are going to have money being embezzled.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir, I have been listening to Mr. Ndicho for sometime now. However, I would like to request the Chair to curtail his speech because he is now becoming repetitive. Is this not the right time to call upon the Mover to reply?

Mr. Ndicho: Mr. Speaker, Sir, you can see how---

Mr. Speaker: Order! Order! I suppose I will not accede to the request for the Mover to be called upon to reply. In the same manner, hon. Members must address themselves to the Bill appropriately and should not mislead the House. Mr. Ndicho, look at the accounting procedure under Clause 31; which says the accounts of the Board will be audited by the Auditor-General (Corporations) and report the findings to Parliament. Please do not mislead the House. Proceed!.

Mr. Ndicho: Thank you, Mr. Speaker, Sir. Hon. Sunkuli has just come from his tea break and even before the tea settles in his stomach, he just comes here and thinks that he can disturb the proceedings of this House. This is contempt of Parliament and he deserves to be punished.

(Laughter)

Mr. Speaker: Order! What Clause does Mr. Sunkuli fall under in the Bill?

Mr. Ndicho: Mr. Speaker, Sir, he comes and says that---

Mr. Speaker: Well, then you become irrelevant! Do not become irrelevant. Proceed.

Mr. Ndicho: Mr. Speaker, Sir, when an hon. Member comes in and says that another hon. Member is repeating himself and---

Mr. Speaker: Order! I am now warning that you are in fact becoming irrelevant! So, can you be relevant? You know what the second warning on irrelevance means.

Mr. Ndicho: Mr. Speaker, Sir, I do not know what Sunkuli came with. However, I beg to continue.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir. Hon. Ndicho should have the honour of calling me "hon. Sunkuli" because he is mixing up issues here.

Mr. Speaker: Anyway, can we now leave the hon. Ndicho and hon. Sunkuli out of the Bill as well? Let us address the Motion now.

Mr. Ndicho: Thank you very much, Mr. Speaker, Sir. We had a lot of peace here, let us continue with it.

Clause 14 says that the Board may accept or reject an application for a loan. The Minister said that the Board may accept or reject an application for a loan without giving any reasons. You can see where our concern is.

Under part (b), the Board may grant a loan to any student and impose conditions, demand security and require repayments in instalments at such times and within such periods as the Board deems fit.

The anomalies here are that the Board can give the loan to any student. What does that mean? If that covers all students in Kenya, including those from areas controlled by the Opposition or by Kanu, that is okay. But, he goes on to say that in so doing, it may impose conditions. What conditions does the Minister mean? Does it mean that one of the conditions is that you must be black or white, or you must be from Kanu or the Opposition, be a colonialist or whatever you may think of. What are these conditions that my fiend, hon. Kamotho, alikuwa akifikiria?

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, on Clause 14(4) states as follows:-

"Where in granting a higher education loan to any student the Board considers it prudent to request for a guarantor to guarantee any loan granted to a student, in case of any default by the loanee in the repayment of the loan.----"

So, you see, the Minister is not genuine in helping young people in this country. You are imposing conditions now. You are saying that other than getting security, one must also come with a guarantor. So it appears that loan which you may apply for from Kenya Commercial Bank, Barclays Bank, Standard Chartered Bank or other financial institutions, where it is very difficult to day in Kenya--- You are asked to produce securities, guarantors and a lot of things which are only meant to intimidate you or to ensure that you do not get the loan. This is exactly what the Minister is trying to imply here. How can you call for students from poor families to come for loans and then you impose a lot of difficult conditions? How? So, there is a lot of lack of genuineness in this particular Bill that the Minister wants passed by Parliament to become a law. Once it becomes a law, then you can do nothing at all about it.

Mr. Temporary Deputy Speaker, Sir, Clause 15(1)(c), says that the loanee should to begin repaying of his loan together with any interest accrued thereon.

The Minister has not told us the interest rate of the loans that these students are going to get. He has not also told us what type of interest it is going to attract or whether it is going to be based on a reducing balance or whether it is going to be static interest. He has just not told us that. In any case, because these loans are supposed to help poor students, in the first instance, there is no point of imposing any interest because this Board is meant to be a service Board for helping students from poor families in areas like Kilgoris. How can you ask a Maasai from Kilgoris to come for a loan and then ask him to re-pay that loan with an interest that is falsified? Even when I go for a loan in my bank, the first thing that we negotiate with the Bank Manager is the interest rate of the loan and if I accept the interest rate, than I go for that loan. If I feel that the interest rate is too high, I do not take the loan. So, in other words, what the Minister is trying to impose here is impossible. He says that there will be a loan with some interest and finally you do not say whether the interest will be charged at the rate of 50 per cent of your father's shamba which you had offered as security and will be auctioned in case of any default.

Mr. Temporary Deputy Speaker, Sir, the Minister said the loanees will repay their loan instalments that the Board may deem fit. But what will happen if a loanee fails to get a job due to the economic hardships that have been caused by KANU in this country? How does the Minister expect the loanees to repay back their loans if they have no employment? I am sure that this Bill is going to be passed by KANU because they outnumber us. If the loanee's

father's farm was mortgaged for the purpose of that loan, does it mean that shambas belonging to old wazees from Kisii, Kilgoris, Thika and Kangema will be auctioned? Is that what we are expecting? This Bill makes us very, very suspicious. If you read it very carefully, you will find that we are mortgaging the properties of old men without knowing it. It is us who are going to be accused. But it is KANU which is doing this. By the way, when KANU was being mooted in 1960 the founders talked about "Kenya Africans" and not Kenya Asians, Kenya Europeans or Kenya Greeks. So, the Greeks and the Europeans who are in KANU are in the wrong party. KANU is for "Kenya Africans" and not Kenya Wazungu and---

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member for Juja not being irrelevant and provocative when in fact he is supposed to be debating about The Higher Education Loans Board Bill? In fact he is supposed to talk more about his friends, Muite and Leakey, who are putting the Opposition in problems rather than bringing in irrelevancies.

The Temporary Deputy Speaker (Mr. Nthenge): Order! Stick to the Bill, hon. Ndicho!

Mr. Ndicho: Mr. Temporary Deputy Speaker, Sir, you should protect me from hon. Sunkuli who is becoming a gadfly and making it impossible for me to continue with my speech. In any case, Leakey is in the right party because he has not gone to KANU. This is because KANU is for "Kenya Africans." All those Asians and Europeans who are in KANU should come out of it and join the Opposition.

Mr. Temporary Deputy Speaker, Sir, in Clause 17 the Bill talks about the employers who will employ these graduates. The employers will be expected to do all the paper work. This means that the employer will be involved in additional paper work to make sure that the amount of money that was given to the loanee is processed and repaid to the Board. This will make private companies reluctant to employ these graduates because of the additional paper work that will be required to be done.

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

[Mr. Speaker resumed the Chair]

Mr. Speaker, Sir, this also means that those private companies will need to employ additional people to be doing the paper work involved in preparing the annual returns for these loanees and submitting them to the Board. For example, if I employ somebody in *The Thika Times* and I fail to submit those returns to the Board, I am going to be liable for a fine of Kshs3,000. So, you can see that private companies will be reluctant to employ these loanees because they will be fined if they do not submit those returns on time. If you go through this Bill, clause by clause, you will realise that there are very many loopholes in it.

The Minister for Education (Mr. Kamotho): On a point of order, Mr. Speaker, Sir. Is the hon. Member on the Floor not really misleading the House and the whole country by implying that by virtue of students getting employment in private companies with a university education loan, they would be refused employment while we know that there are even bigger burdens like mortgages which are normally taken by employees both in public and private sectors which does not make employers refuse to employ people because they have mortgages?

Mr. Ndicho: Mr. Speaker, Sir, I was coming to Clause 19. To respond to the point of order raised by my dear friend "JJ" who always passes through my constituency on his way to Kangema, all that I am saying is that private companies will be reluctant to employ graduates with university loans. This is because we are giving them additional paper work to do all the computation of the loans owed to the Board by the graduates. To make matters worse, if a company fails to do that in time it will be penalised to the tune of Kshs3,000. So, why should my small company called *Thika Times*---

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. I have been listening to the Member on the Floor and he has referred to another hon. Member as "JJ" and I think these are names they call each other in the bush. Is he really in order to refer to another hon. Member as "JJ?"

Mr. Speaker: Order! All hon. Members shall avoid street names.
Proceed, Mr. Ndicho.

Mr. Ndicho: Mr. Speaker, Sir. "hon. Joseph John Kamotho" is not a street name.

However, as I was saying that a private company will be scared of employing anybody with a university loan for fear of being penalised.

Secondly, Mr. Speaker, Sir, the Bill talks about the salary that he gets from the new employer. I was just trying to make some calculations where an employees get Kshs10,000 per month. He gets Kshs10,000 and he pays a quarter of that money to the Board. It means then for every month he will be paying Kshs2,500 which is a quarter of Kshs10,000. The Minister did not tell us even the period of repayment of these loans. We are not told that once you

finish the university education, you are going to be given three years grace period and then you pay for ten years or 15 years. It is also blank. So, you can also be told to pay within the first year of your employment or the second year of your employment.

Here I think the Minister, Mr. Speaker, Sir, should also have indicated in this Bill the period of repayment of these loans. This is the basis upon which the rate of interest is calculated. So, if the Minister does not say, the amount of money to be loaned, the repayment to be taken and the interest rate to be given, then here we have a lot of loopholes in this Bill. I am sure that there are a lot of students who will not dare to meet the conditions that we are going to impose. They will be very reluctant to take this loan. I would advise anybody related to me to keep off this loan. I would better look for hon. Mulusya, who is my friend and my neighbour at Juja, to come to conduct a harambee for that particular student rather than recommending him to take a loan from this Board. This is---

An hon. Member: It is better!

Mr. Ndicho: Mr. Speaker, Sir, hear what another person is saying. He has just come in from taking tea and says "it is better". What is better? He is an Assistant Minister who gives us very wrong answers from the Ministry of Education. The Minister is also talking about the discretion to waive the loans. He says, that the loan from any particular student could be waived after considering death, hardship or equity. I think consideration of hardship or equity should be removed from this Bill because it is only death whereby, when one dies he cannot come back and pay the loan that he took.

So, I am asking the Minister, if he really cares and if he is serious in helping the young generation in this country to get university education and not impose a lot of problems on them after finishing their university education, he should remove all these conditionalities and all these loopholes. He should bring a clean Bill here Mr. Speaker, Sir, where we are having and everybody can read and understand what he is being asked to do.

Mr. Speaker, Sir, on the last one, he talks about inspectors. That is part 4 now. He talks about inspectors, whereby the Board will enrol inspectors who will be going to these companies to inspect the papers concerning the loanees. If you read that you will hear that these inspectors are given a lot of powers which are not even to OCPD, PPO and CID officers. They are told to go and storm into premises and if somebody in that factory refuses or is reluctant to open for these inspectors he is taken to court. How can somebody come to my factory and say that he is an inspector from the Higher Education Loans Board and then I tell my people, okay, 'scrutinise his papers', to find out whether he is a bogus inspector or he is a genuine inspector? If he is there for about ten minutes, the Minister is telling that inspector that he should go back and prosecute the owner of that factory because of harassing him.

So, for every step the Minister is taking, he is making it difficult for people to employ these people and I believe, when this Bill is passed and becomes law, it is going to be read with a lot of interest and enthusiasm by the employers. When they read all these things Mr. Speaker, Sir, they are going to be resistant. So, when you go to the gate of a company and you want employment, you will be asked, 'Are you a loanee of this Board from the Ministry of Education?' Once you say, "yes", then you are told, "Hakuna kazi". "Hata kazi ikiweko, Bw. Spika, unaambiwa hakuna kazi bora tu utoke kwa hiyo Bodi ya Wizara ya Elimu". because of the problems you will leave the company with.

Listen, Mr. Speaker, Sir, to what the Minister is saying:-

"Every inspector appointed under Section 22 shall, for the purposes of ascertaining whether the provisions of this Act have been complied within any premises or place reliable to inspection under this Section have the power to enter such premises or place at all reasonable time and to examine every person whom he finds therein".

Mr. Speaker, Sir, what does that surely mean? Bw. Waziri can tell us. When the inspector goes into that factory and he has all the power to examine---

An hon. Member: Even the customers!

Mr. Ndicho: Even the others who are not loanees, even customers, once you are there and says, "I am an inspector", you are examined. He is not even specifying the mode of his inspection. It is either, "utoe nguo zote". You are stripped naked!

(Laughter)

The inspector tells you, "I am inspecting you". This is really a Bill, that you examine every person. He does not have to specify that it is his loanee. He says, "examine every person whom he finds therein", including the managing director, the general manager, tea girls, secretaries. Surely, this is very, very funny!

That is why, I am asking my fellow Members of Parliament here, and even those from KANU, including hon. Magwaga from Ikolomani, to read this Bill very carefully because it gives a lot of things which are surely impractical.

Mr. Speaker, Sir, if you look at Clause 2, it also talks about the field inspectors, going to do double work, to

harass people in their premises and then it is the Seventh Parliament that is being asked by the Ministry of Education to pass this Bill and make it a law. So, what will happen, if an employer also finds that what this inspector is coming to scrutinise and examine, has not been done? To avoid being penalised the Kshs3,000, the inspector is going to be bribed. So, he leaves also a loophole there, because once the employer has not fulfilled the conditionalities of this Bill, you will find that he is going to open loopholes of bribery.

I have jumped a lot of clauses to go to a Clause 35 which says:-

"The Minister, may by notice in the Gazette exempt any class of persons from all or any of the provisions of this Act where, in his opinion, it is a privilege in the public interest to do so".

So, you see that this clause is vulnerable to abuse by the Minister.

So, this class of people is vulnerable because the Minister also allocates himself all the powers to exempt "any class of persons". Now, we would like the Minister to tell us what exactly he means by "any class of persons". Is it the class of White children, Wahindi, children from Central Province, children from Rift Valley, children from Western Province and so on? What does he exactly mean by that? He is hiding himself behind those powers that he can "exempt any class of persons". So, this Bill was drawn with a lot of interest considered on the KANU side. So, this Bill has a lot of loopholes in it.

The last Part viii of this Bill talks about the transitional provision of this Bill and it talks of all movable and immovable assets of the Board which, immediately before the commencement of this Act, were vested or possessed by the Higher Education Loans Board under the Higher Education Loans Fund Act (now repealed) or the Ministry of Education Loans Disbursement and Recovery Unit shall by virtue of this section vest in the Higher Education Loans Management Board without further conveyance, transfer or assignment.

So, the Minister talks of property or assets, movable and immovable, and also assets of the previous Board. But he should have had the audacity to read the Act. What were these movable and immovable property and assets? As we know, in the course of transferring these assets from one Board to the other, we might lose a lot of vehicles. There should have been some inventory and the Minister should have appended that inventory at the back of this Bill so that we know there are, say, 24 Mercedes Benz cars, 12 pick-ups, one plot at Kileleshwa, and so on. So, what might happen finally is that the new Board might go and start its work and when they look at Part viii of this Bill, they will ask the Ministry where those movable and immovable assets and property are. They will be told they are there, but go and look for them somewhere over there. This is because somebody somewhere has already sold them all! So, the Minister should have listed all that property and assets.

Finally, Mr. Speaker, Sir, suffice it to say that there are so many Boards the person who came up with the idea of establishing this Board was to help students in this country. This idea was quite noble. That is why before such a Bill is brought to this Parliament it should be given to the hon. Members of the Opposition. Let them be given a chance to go through it so that they can also make some suggestions on it before it comes here. Once it comes here, *tupende tusipende*, KANU wataipitisha kwa sababu ni wengi!

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to mix the two languages, English and Kiswahili simultaneously?

Mr. Speaker: No, he is absolutely out of order!

Mr. Ndicho: Accepted, Mr. Speaker, Sir. So, if the KANU Government has the goodwill of helping the youngsters in this country to receive money from this Board, it should also involve other people.

Mr. Speaker, Sir, let me summarise by saying that these days, say, in Nairobi, Thika and big towns, we have a lot of power failures, say, from 7.00 p.m. to 11.00 p.m. This is something very serious because this is the period of time when students are supposed to be doing their studies. I was even told this morning that the people want to see the President as he addresses the nation. There are also other programmes on the television which is an educational tool. Some students learn from them. So, we should be told why there are power failures in Nairobi, especially in Thika, from 7.00 p.m. to 11.00 p.m. Sometimes I go to bed using candle light or lantern light. So, as a gesture of collective responsibility, I would like the Minister for Education to liaise with his counterpart in the Ministry of Energy and enquire why we have those power failures since this is affecting our students. When power goes out, it also affects our university students as well, Nairobi School, Lenana, Alliance, and so on. The learning period is disrupted.

The other issue, Mr. Speaker, Sir, is about grabbing of school land. How do you expect students to learn under favourable conditions when school land is grabbed today at a very high speed? Thika is the worst hit! The President of this country is on record to have given a directive that nobody should encroach or interfere with school land since in the final analysis it affects the education of our children. Right now, as I talk, hon. Kamuiru Gitau brought a Question here about a school whose compound was chopped into half by somebody and fenced. How did those students feel? In Thika alone, a school called Holy Rosary has had its three acres chopped off by some councillors. Also another school called Kenyatta Primary School and Munyu Primary School and Thika School for

the blind have had their compounds also chopped off.

Thika High School has 12 acres where students go for their games after a hectic time in the classroom the whole day.

Mr. Speaker: Order! You have extended the rule too far now. I think that is enough. They are mad, you know! Come back to the Bill.

Mr. Ndicho: Mr. Speaker, Sir, if I may go back to this Bill, it is a very important Bill. The students of Thika High School, where 12 acres have been grabbed, will find it very difficult to concentrate on their studies and then get money for higher education.

The other point is that the Government must also create a healthy nation. There is no way you can expect students to finish their secondary education and aim to go to the university if the nation is not healthy. I am saying this because where I was going to school there was a school dispensary. In many schools today the students are not getting drugs and even the drugs that are going to Government hospitals, where students can go for medical facilities, are not there.

Mr. Speaker: Order, now! Mr. Ndicho, you are becoming absolutely irrelevant to the Bill before the House!

Mr. Ndicho: Let me summarise what I was saying.

Mr. Speaker: Yes!

Mr. Ndicho: With those few words, I beg to oppose.

Mr. Speaker: Very well. Dr. Lwali-Oyondi!

Dr. Lwali-Oyondi: Thank you, very much Mr. Speaker, Sir. I would not like to---

QUORUM

Mr. Mulusya: On a point of order, Mr. Speaker, Sir. My point of order is not to interrupt the hon. Dr. Lwali-Oyondi but the House seems to have started on a bad note. There is not quorum.

Mr. Speaker: I suppose hon. Mulusya is quite right. We have no quorum. Ring the Division Bell!

(The Division Bell was rung)

Mr. Speaker: Order! Order! Proceed!

Dr. Lwali-Oyondi: Yes, Mr. Chairman. Oh! I am sorry. Oh! Mr. Speaker, Sir.

Mr. Speaker: Order! I appreciate that hon. Members were only away for three weeks. That is no reason why you should not know that the Chair is addressed to as "Mr. Speaker". Proceed.

Dr. Lwali-Oyondi: I am sorry, Mr. Speaker, Sir. I have been addressing chairmen all over the country. There is a time I would address them as "Mr. Speaker". I do not know. There is a time the mind holds on to one.

So, I wish to make a few comments on this very serious Bill. This Bill is quite serious in that it is going to tie our children. If the Bill is passed at all, we shall be subjecting our people to very, very serious conditions in view of the fact that there are no jobs. I do not know why somebody, or the Minister, has thought it appropriate at this time to bring this Bill to this House because, at the moment, we do not have jobs for our children and we expect them to pay the loans when Kenya and most countries in Africa are unable to pay loans. In fact, as far as I am concerned, most of the Africans in this country are not going to be able to pay their mortgages, car loans and even some people at the moment are unable to pay for their own cars. How we expect these students to pay these loans is what I do not know. First and foremost, it is the duty of this country to pay for the education of its citizens and this education is paid for by money paid by the parents; those who are able to pay taxes. I would suggest that we reject this Bill and I ask KANU to reject it too. Not to be like rubber stumps ---

(An hon. Member interjected)

They are the ones who rubber-stamp anything. They always ask the hon. Member who is just interjecting---

Mr. Speaker: Order! Order! We do have hon. Members on this House either from the Government or from the Opposition. I will not encourage that bit you are going into. Either you address the hon. Members on the other side, the whole House, or the hon., Members on your side. I think it does help the House to develop mature debates. Proceed.

Dr. Lwali-Oyondi: Thank you, Mr. Speaker, Sir. I will say the hon. Members on the other side who, from time to time, have asked the Chief Whip, "Are we to say yes or no", and then they just come from tea and say whatever the---

Mr. Boy: On a point of order, Mr. Speaker. Could the hon. Member substantiate the statement that the

hon. Members here ask their Chief Whip on which side to vote?

Mr. Speaker: Order! In fact, it is out of order for the hon. Member to imply that hon. Members do not have the capacity to make their own judgement. I think you are out of order and I think I have warned you, Dr. Lwali-Oyondi, many times not to unnecessarily disparage your colleagues in the House. I think it does help the House and it does help you too, if you will have respect for the House and for the Members of this House. Now, proceed with that respect!

Dr. Lwali-Oyondi: Thank you, Mr. Speaker, Sir. Those are remarks made from experience.

This particular Bill should be looked at with a very, very critical mind and instead of having this Bill, I suggest that we do have an educational levy which can be charged on many things for example, in hotels, market places and so on so that our students can have education without something hanging over their heads like a possibility of their parents' shambas or houses being auctioned because they happen not to be able to repay the loan.

So, Mr. Speaker, Sir, in that way, we shall be able to educate our people without necessarily having to resort to paying of fees. I could give the example of the Training Levy in the tourist industry. In big hotels a certain amount of money is charged to the customer and the total of that charge is given to the Kenya Utalii College, with the result that students to this college pay nothing. They are being educated the way we were educated at the university. Most of the hon. Members here got free education at the university level. So, we do not see the reason why we are making life difficult for our children. If we introduce an education levy similar to what we have for the Kenya Utalii College, our students will get education without necessarily having to pay for it later.

The possibility of these students repaying their educational loans is very remote, taking into account the fact that already we cannot employ those who have qualified. This is in addition to the fact that salaries for most of them are low. Probably a university graduate will be employed for a salary of, say, Kshs10,000 per month. Now, in the present Kenya how would such a person get himself accommodation, a bike or a car? These are not very practical suggestions in view of the high inflation we have in the country. That is why I ask hon. Members to suggest another method, preferably introduction of an education levy of financing university education.

Another point - which has also been politically propagated - is that people think that without university education you are a nobody. It is high time we allowed our students to go into technological schools like polytechnics, where they will do some relevant work and which is immediately needed. University education is purely academic and most graduates can hardly do anything unless they are trained further. Apart from graduates in courses like law, medicine and, possibly, engineering graduates in other courses, particularly the bachelor of arts group, are not quite sellable. In fact, they have to take another practical course before they become employable.

It is high time we stopped evaluating our educational achievements by looking at the 40,000 university population when most of them will come out and be fairly irrelevant to our needs. We should insist on having highly qualified students for university and technical colleges education. Currently, university education is being used as a political weapon. People brag about the number of university students they have here and there and yet in the long-run we are not going to be able to make use of those large numbers of university graduates.

Furthermore, students undergo a lot of torture, and the Minister for Education should pay attention to this. If a student is going for medicine he has no business reading history. Medicine by itself is a big subject and there is no need for students to take other irrelevant subjects like history and public relations. Those are useless subjects for students who are going in for technical courses. This is subjecting students to a lot of stress and their education is being terminated due to the overloaded syllabus. You see, a student goes in for a science course and then he is told to study geography or mathematics in addition to his course. Mr. Speaker, Sir, since Government colleges are full, many students are being trained by religious institutions. However, after teachers are trained by these non-Government institutions the Ministry of Education has often refused to employ them. This is very unfair. These trained teachers should be given jobs in the same way as those trained from Government colleges.

Mr. Speaker, Sir, hon. Members, have commented on the Bill itself, but I should like to stress a few points which may not have been stressed. Clause 3 is on the question of borrowing and lending money. If this Board is to be established at all, it should lend money to students and should never lend to other institutions like M/S Sololo Outlets. Unless we make this the case, we shall have the same problem we have. This would appear to be the case from that clause, especially Clause 3(d), which talks about borrowing and lending money. At least, the part that talks about lending money should specify that this is only to students. I will go through these clauses very quickly because some of them have been talked about at length by other hon. Members and, therefore, I will not take too long on them. In Clause 3, subsection (3), the Minister should tell us what went wrong with the Higher Education Management Board. What actually did the Minister find wrong with the former Board which was established under the Higher Education Loans Board Act? He should tell us the difficulties he found with this one to make him establish another Board. If he had any difficulties, what were they? And if there were difficulties, could they not be corrected without having to establish another Board? He should also tell us how it failed.

(Mr. Ndicho was observed consulting hon. Kamotho)

Mr. Speaker, Sir, I think the Member for Juja should leave the Minister alone so that he can hear what we are talking about.

Mr. Speaker: Proceed! I am listening to you very carefully!

Dr. Lwali-Oyondi: Yes, but the Member for Juja should leave the Minister alone. I had just put a point and the Minister was listening. We are talking of something very serious here, which the Minister himself should listen to, not his deputies. He should tell us why this Board was not working and why he had to establish another Board. If it had any difficulties, could they not be remedied instead of establishing another Board? We keep on having Bill after Bill. Our books are bulging with Bills and amendments. Bills do not do anything if the whole system is inefficient.

Clause 4(1) talks about the constitution of the Board. I would like to suggest that the Board should also include Members of Parliament. There should be at least four Members so that, we, who have been elected by the people, can see to it that we actually get involved in this Board. Just as the Minister involves us in the Boards of Governors and in the PTAs, we should also be involved in this particular Board because, we get the brunt of all the problems that come from wananchi. According to this clause, those appointed to this Board should be vetted by Parliament. More often than not, people are appointed to Boards on political grounds. People who may never have gone to school get to these Boards and become even chairmen. Therefore, they just say: "Hiyo inafuata nyayo" or, "if they do not follow Nyayo, basi---" If you hear that, you know that any suggestion that you might have made is not accepted.

Another issue related to this Clause 4(3) is that the Board is being given five years. I do not know why the Board members have to stay on for five years while the Education Act gives the school Boards of Governors three years. I wonder why the Minister has put there five years because, some of them may be non-functional. I have attended many functions where Boards of Governors have been established and the people appointed to them never turn up at all. In fact, some have never turned up for three or more years and yet they are still re-appointed. I think we should have three years instead of five.

I feel that Clause 6 has been well discussed by hon. Ndicho, about the granting of loans, with or without security. That security business should be done away with. These are students. Usually, they are very poor and that is why they need loans. Security becomes very irrelevant when you come to children. In any case, most Africans have more than one child at the university. I, personally, have three at the university and I have only one plot of land in Nakuru. If I have secured a loan with that one plot, where will I get another security for the other loans? With due respect, these conditions are irrelevant. The Minister should look into these conditions very seriously and do away with them because they are impractical. Even some of us who are Members of Parliament cannot get enough security to acquire certain loans. So, how do we expect students to have those securities?

Also, students who qualify for entry into the local universities should have automatic loans. The loan should be there. There should be no question of application. The qualification should be that the student has worked hard and has qualified for the university, therefore, he should automatically get the loan. One thing we see is that once a student reaches university, he is no longer the property of his parents. I have never worked in Western Province, yet I am supposed to be coming from there. I have never worked in Kakamega where I was born. It means that immediately you qualify, you are the property of the country. I am now a Member of Parliament, not for Butere or anywhere in Kakamega, but of Nakuru, and that is my residence. I am the property of this country. Therefore, we should not subject parents to the torture of paying fees for a student for higher education when such a student is actually the property of the whole country. For example, a teacher qualifies to be a teacher and, immediately, he is posted, not to where his people live, but to a place like Garissa, where he will teach. Such a teacher may be from Western Province, for example, and he may teach the Kenyans in a place like Garissa without possibly going back to his own home. Therefore, bearing this in mind, I suggest that students going for higher education are a problem of this country and, in fact, the money that the education department and the Board will be using will not be coming from the Board but the people of this country and should be given free of charge. If there were any surplus funds to be invested, as it has been suggested in Clause 6(1), then the funds should be invested in Government Treasury Bills, so that we are sure that, that money will come back, or if they were to be invested in any banks at all, then they can be put in well established banks like the Standard Chartered Bank or Barclays Bank, but not in the shaky banks that are likely to collapse any time.

Mr. Speaker, Sir, the suggestion of having insurance policy as it is stated in Clause 6(m) by the Board will result into more losses. Since the Board will have very little funds, we suggest that there should be no insurance at all because it might put in a lot of money as a result more money will get lost. Instead of that money going to the students who need it, it may be invested in insurance companies. Therefore, that issue of insurance

should not be there at all.

Mr. Speaker, Sir, Clause 9 it says as follows:-

"The Board may, by a resolution either generally or in any particular case delegate to any member, officer, employee or agent of the Board the exercise of any of the powers or the performance of any of the functions or duties of the Board as authorized in this Act."

Mr. Speaker, Sir, I hope the Minister will be serious because the Board cannot delegate anything to anybody. We should suggest exactly to whom the delegation is going to be made, not just anybody.

An hon. Member: The Minister is not even listening!

Dr. Lwali-Oyondi: Therefore, Mr. Speaker, Sir, we cannot just have such an empty clause. These are some of the clauses that have brought very great losses to this country and then after those losses, another Bill is again brought to form another Board with the hope of improving upon it.

Clause 10(2) says as follows:-

"The Board shall meet at least four times in each year, but the Chairman shall, upon requisition in writing by at least five members, convene a special meeting of the Board at any time."

Mr. Speaker, Sir, in this Board, the Chairman can also use things like telephone, faxes or even the radio to call upon members to attend any meeting, instead of at least five people meeting and possibly passing something that may be not supported by the rest of the members. Therefore, in order to get enough people, we advocate the use of faxes, telephones and radio. I hope most of the members who will be on this Board will be able to be communicated to through these various means.

Clause 10(3) is about the quorum, and it reads as follows:-

"The quorum necessary for transaction of the business of the Board shall be five members. Provided that the quorum at any requisitioned meeting shall be any number of the members of the Board entitled to attend such meetings and the meetings shall be free to adopt any procedure thereat suitable in the circumstances."

I agree with that suggestion, at least, it is better than the other Bill whereby we had to get only five members out of 15. We have to know exactly the total number of members of the Board. If it is out of ten then it is fair.

Mr. Speaker, Sir, with regard to the payment of interest as has been suggested under Clause 12(b), I wish to stress here that there should no interest paid at all because nobody knows when somebody is going to get employed. This is taxpayers' money and, therefore, we do not need to have any interest on it if this Bill is going to be passed.

On Clause 13 here we have a draconian law which talks about a clause like "not less than" instead of "six months". If somebody has made a mistake, we should not pass in this Parliament a law which you say that he cannot be imposed "not less than". We should use the phrase "not more than" instead of putting the court to some very strick laws whereby you say "not less than six months". We should say "at most six months". Therefore, instead of us passing those draconian laws which are already embarrassing us particularly in the narcotic and Psychotropic Substances Act, which already has put courts into a lot of embarrassment--- This Parliament should not be there to pass laws that compel the Magistrates not to give less than despite the circumstances. This is not really the best way of passing laws. We should be talking of maximum sentences instead of talking about minimum sentences. Therefore, instead of saying that it should not be less than six months or fined not less than Kshs30,000, we should say, he should pay a maximum of Kshs30,000 instead of making the Magistrates behave like robots when imprisoning somebody without taking into consideration pleas or mitigation the culprit has given the court.

I will now go to Clause 14(5) which states:-

"Where a guarantor who has been notified by the Board under sub-section (4) fails or refuses to repay such loan together with any interest accrued thereon, the guarantor shall be guilty of an offence and liable to criminal prosecution or civil proceedings or both in accordance with the provisions of this Act."

Mr. Speaker, Sir, I am not a lawyer but I thought that default in loan repayment is not a criminal offence; this is a purely civil transaction. I therefore do not know why the Minister says that criminal proceedings will be instituted against defaulters. Also according to this clause the guarantor shall be guilty of an offence and liable to criminal prosecution. I think the Minister will have to explain how a civil debt can result in criminal prosecution. So, guaranteeing a person to get a university loan will be a risky business. I am unlikely to guarantee anyone should the need arise because I do not want criminal proceedings to be instituted against me.

As it has been stated here before there is no need for guarantee; the guarantee should be the student who is the property of this nation. The knowledge that the students will acquire will benefit this nation. We should only pray to God that, that student remains alive to continue contributing to the progress of this country.

Mr. Speaker, Sir, we should have a minimum salary from which we could levy money. If somebody is earning a very small salary, I do not think we should have anything to do with him. We should leave that person alone until such time he will be earning enough money.

On university education, we should leave lecturers alone. As has been reported in the Press today, the very hawk-eyed police of Nakuru arrested about six lecturers who were taking tea in a Nakuru hotel. I do not know what law in this country forbids people from meeting. A gathering is supposed to be referred to as a meeting if it is attended by more than ten or 50 people. That is why we started Opposition we had to make sure that we were nine. These lecturers were not nine and they were having a good time in a hotel. We should not allow these dictatorial activities to take place; of arresting people who are talking to each other. I do not know why they were arrested. The Government should tell us exactly what it is fearing. Why is the Government afraid of its own citizens? Why is it afraid of people meeting to discuss their own affairs according to Section 80 of our Constitution. All Members of this Parliament including even the President, should not go against the Constitution of this country which we swore to protect and---

Mr. Speaker: Order! Dr. Lwali-Oyondi, you have had your say but you should now come back to the Bill. We are talking about The Higher Education Loans Board Bill.

Dr. Lwali-Oyondi: If that bites you, Mr. Speaker, Sir, I leave it and go straight away to Clause 35 so that I may leave you in peace. Clause 35 says:-

"The Minister may by notice in the Gazette exempt any class of persons from any one of the provisions of this Act where in his opinion it is expedient in the public interest to do so."

This has been commented on and I do not want to expound on it. That is a clause that obviously had to go out. We have either to exempt everybody or not anybody at all. On this particular clause I have in mind the Ministry of Finance which uses that discretion to exempt people from paying duty and as a result people even import maize without paying any duty at all and thereby ruining this country. These powers should be taken away from the Minister because they are old-fashioned. Because of corruption these days, we can no longer entrust Ministers with such powers and they should be taken away and I hope that we shall have support from the other side.

With those few remarks, I beg to oppose this Bill.

The Minister for Health (Mr. Angatia):

Thank you very much, Mr. Speaker, Sir, for giving me this opportunity so that I may make a few remarks on this very important Bill.

Right from the outset, I would like to congratulate the Minister for Education for bringing the management of this Fund to a Board. Boards are an extension of democracy; it is an opportunity to give people, other than those in the Executive directly, to assist in the management of the institutions of this country and the management of the welfare of our people.

Mr. Speaker, Sir, it has been said that education is for life and the more of it, I suppose, one has the fuller life or better life that one is expected to have. Therefore, everything should be done to assist people to get as much education as possible and this is going to assist a very great deal those young people who would normally qualify to get higher education but because of lack of money. It is unfortunate that loans which have been given in this country in the past have not been recovered properly. I hope that Parliament will be willing to allow the Ministry of Education to improve on this by setting this Board. This matter has come to Public Accounts Committee (PAC) many times, and it is not possible to guarantee people with jobs and, therefore, it is not possible to guarantee or to insist that they pay money if they have not got jobs. But this Board, I am sure, will devise ways and means of recovering this money after lending it to people who are duty bound to repay this money, and devise ways and means of recovering it.

Mr. Speaker, Sir, for a long time Kenyans have looked as if they only hope to get money from employment but, with 8-4-4 system of education, people should look into other ways of getting money in order to repay loans of this kind instead of blaming the Government for not making it possible for them to get jobs so as to be able to repay loans. As we liberalise and democratise, it should not be the responsibility of the Government alone to look for jobs for people to create an atmosphere where jobs can be easily found. The economy as it is now, and *wananchi* have now been used to a liberalised economy--- They should be able to find other ways of making money, and therefore, repaying loans of this kind instead of relying entirely on jobs.

Mr. Speaker, Sir, I trust that the Board will work out ways of getting these loans repaid from self-employed people, and not only those who are employed. So far, it looks as if it is only people who are employed in the public sector, particularly in the Ministry of Education, in teaching, and other few Ministries, who are repaying their loans, and I think this is a mistake. I am hoping, when this Board becomes functional, and the sooner it becomes functional the better, that more people who got loans, whether they are working on their own or they are employed, will be compelled to repay.

Mr. Speaker, Sir, on education becoming a gain for life, I would like to appeal to my colleague, the Minister, to look for ways of enabling every girl child to get as much education as possible. Again, for parents who are poor, they tend to favour boys where resources are limited, and they are faced with boys and girls. They tend to favour boys to continue with education rather than girls. I want to appeal to the Minister that if it is possible to make girls

education compulsory, I think this should be considered.

Mr. Speaker, Sir, all of us know that the more we educate the girls, the more we manage our health delivery system properly, the more we manage our population properly, the more we manage our family economies properly, the families will be well-managed in this country. Therefore, Mr. Speaker, I would like the Ministry of Education to look for possibilities of making girls' education compulsory. I am hoping that with the Presidential Bursary System that we have introduced, and when this Board becomes functional, and then the Local Authorities are supporting education, out of these institutions, we should be able to work out a mechanism where we can make girls' education compulsory so that they get as much education as possible and go to as high levels as they can possibly get.

Mr. Speaker, Sir, my third point is this country's policy which was formulated at Independence and is still the same; the policy of eradicating poverty, ignorance and disease. All of us agree that education is key in the operation of our systems in order to attain our basics as far as these three areas are concerned. Therefore, the more we open up opportunities for people to get education, the better. I want to say again to the Government, and our system in this country, great "Thank you" for the Harambee spirit. Harambee has enabled many children who would not have got education to get it, either by making schools available or

enabling them to get fees, or enabling them to get laboratories or enabling them get books. There have been a lot of talks from irresponsible people who think that Harambee should be removed, and I think that this Board, now being established and being empowered to receive donations, grants and contributions from various people, must move. Those who do not want to attend Harambee meetings and those who do not want to be involved in contributions at Harambee functions can now channel their contributions to a Board like this one because it will be for a good cause and for the same purpose.

Mr. Speaker, Sir, at the moment, with the difficulties in the economy of this country, the most expensive item now in most families, especially in Western Province, is education. Education is proving to be the biggest obstacle that most families have got, and besides the Board like this one, which is going to assist, possibly at higher education level, there are still difficulties experienced at the lower levels of education, and I think the bursary system that the Ministry has introduced is a good idea but is not enough. I think more ways ought to be found where bright children who are in secondary schools are not forced to drop out because they cannot raise money to pay school fees.

Mr. Speaker, Sir, this one, and the other Boards, are ones that we will look forward to for a lot of service in the sense that it is operating in a very difficult area. You cannot auction somebody's farm and put a whole family out of the only property they have in order to cover a loan which, perhaps, only one member of the family may have used. But people took these loans in the past and they seem to have assumed that the money was given free, that it did not need to be repaid and, therefore, it is proper that we start off at least with arrangements where those who can pay, but simply fail to pay, can be brought to court. This bringing of people to court and auctioning people's property has caused a lot of suffering and a lot of poverty in many homes, but it may be more a question of educating people to take greater responsibilities to take much more seriously their obligations to repay loans of this kind than the idea of using their property to recover the money that will have been loaned to education. It is high time our Judicial system and even our banks devised a method of managing people's property; to have them repay loans without those properties being sold.

Mr. Speaker, Sir, when you think of a peasant farmer with probably five acres, and that is the only property they have in this world, they use it as security to obtain a loan to educate one child, and when the child has been educated, the child may not get a job quickly and the loan becomes due, this is not proper. When you think of having that shamba sold in order to recover that money, it is creating twice as much suffering in this country as the problem arising from failure of the loan to be repaid. On this note, I would suggest that our banks and the Ministry of Finance and the Attorney-General should look for ways of perhaps setting up a body that can manage somebody's three acres by perhaps planting coffee, tea, sugarcane or do something to generate money to repay loans of this kind and let the family continue to own the farm rather than to sell the farm and put the whole family into uncertainty and poverty just to recover money which only one member of the family may have used.

Mr. Speaker, Sir, at the universities at the moment, the area where students are complaining about most is on books and food, and these students, unless they have access to good books, they will not learn to be good leaders. They will not learn as effectively as they should, and they will not enjoy their studies. When we give some grants and also loans, the items we should attend to much more closely at the moment, are books and food. Money for books should not be given to students. The university should be able to control funds from which students can identify books. They can pick whatever books they want and then the money is paid from that fund which should otherwise have been given to an individual student. I know students, given money, can do many things. They are just young boys and girls from schools and if you give them a lot of money - to them, of course, Kshs10,000 is a lot of money and tell them to go and buy books, the chances are that they will not buy books. That is a much better way of educating our young people; to learn to be responsible rather than just giving them money and saying it is up to them.

The same also goes for food. I understand that many students at the university are not properly fed since they cannot afford the food. Even when they are given money on the occasion called "boom", they do not know how to apportion it to last them a whole term or semester in the dining hall. So, I would like to suggest that universities explore possibilities of using vouchers to go and select the amount of food they want to eat and then the Catering Department is credited with a similar amount from the Finance Department or bank rather than give students money which they spend within a few days and for the rest of time they are looking for relatives or they go with very little food. As a result, even their very learning is adversely affected since they are not able to manage their finances for food properly.

Mr. Speaker, Sir, it has been said again in this House that education is a right. I want to say that is true, but the State alone cannot provide that education. In this country, there has been cost-sharing in education for a long time.

But it is those who are able to pay who seem to have a better chance of enjoying that right than those who do not have as much money. As much effort as possible should be made, including this Bill, to make it possible for those who are able to go on with university education to be able to do so.

Mr. Speaker, Sir, we are experiencing disparities in our country to the extent that many people are now thinking of a quota system. We do have a quota system at secondary school where most schools now select, at least, 85 per cent of the children from the local area and open up a quota of the chances to anybody from outside that area. I think it becomes apparent that this needs to be extended to other training institutions like medical training colleges (MTCs) and even universities. Occasionally, we are forced into a situation like what we had last year when doctors went on a strike and we found that in some districts, there were no local doctors on whom we could call to treat patients. This raises a few questions. If students are not having correct facilities and are not able to get the marks required for admission to the Faculty of Medicine or Commerce and so on, it means it is time we considered a quota system in a lot of these areas so that we allow every area to have some people qualified into various faculties. After all, even an area assumed to be well off with educational facilities like Western Province, we find that every year students who go to do medicine are very few. So, if we introduced the quota system, we feel that the best students that area can produce should have the opportunity to go and study in that faculty so that the area can also have some people qualified in those specialised areas. I do not think it is proper that professions like law, medicine, engineering and so on, should be preserved for certain communities or provinces when other provinces do not have people in those professions. This is wrong in the long run and I think time has come for the Ministry of Education to consider a quota system of admission to these faculties so that every area can have these professionals.

Mr. Speaker, Sir, Kenyans from any part of the country can fit in a "normal curve of talents of intelligence". There should be no areas which are just condemned due to lack of facilities; that they cannot have certain professionals. This is wrong and all areas are endowed or have people who can study any profession. I think it is time we introduced a quota system in order to give a balanced development of education in all areas of this country.

Mr. Speaker, Sir, before we do the Third Reading of this Bill, I hope that the Minister will take time to look at various clauses. Hon. Members have brought very good idea, a few, of course, criticise for the sake of it, but some have looked at certain clauses in detail and I do not want to repeat that. I just hope that the Minister will bring amendments to improve and tidy up where it has been pointed out that there are loose ends that could create problems in this country.

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

Mr. Nthenge: Thank you, Mr. Speaker, Sir. The first point I would like to make is that this is a wonderful Bill, but I do not think it is well-planned, according to my thinking. There are children who are very brilliant but happen to lose their parents. They happen to come from poor families and if we lose their brains, the whole country has lost. So, I would like to congratulate the Minister for accepting that we need to start a loan scheme to enable everybody who is brilliant to be educated not only for the good of that person but also for the good of the whole country.

Mr. Speaker, Sir, we have very many people who benefited when there was a loan scheme for higher education. It existed at a time when hon. Taitta arap Toweett was the Minister for Education, but later on it was mismanaged and the idea died. Some of the people who borrowed that money never repaid it back.

Mr. Speaker, Sir, I am saying that if we know a Permanent Secretary or somebody who would qualify to be in this Board he should not serve because the idea is to help those in difficulties. In case my father is very rich and he does not want to pay for my university education, then I will still get learned because of this system. I will go and borrow money.

Now, the management of anything matters. There are people who say, "I do not have capital and, therefore, I cannot do business". The first thing is knowledge and ability to manage a business before you even think of capital. Now, I am sure Parliament will pass this Bill or the idea of the Bill but not necessarily the details of the Bill. That alone, once passed, then it means we have the money. Now, once we have the money it should be managed so well that

most of it or all of it comes back. I have many ideas and I am very happy that in the Bill they have introduced business people because we who happen to be in business know the game of money. Whenever there is money and investment issues then you do not require a doctor or people who do not belong to that line. Give it to those people whose daily work is to invest. Therefore, the idea of involving employers organisations is a wonderful idea. In this way they can show how the money that will be lent to them in say eight months will be invested and get a return instead of leaving it in a very ordinary non-interest paying account. In this way we will have people who have interest and people who can do it because they are able. It is very easy to appoint somebody to fill a vacancy but not contributing enough to help the Ministry because the idea of the Ministry of Education is to have a Board to help it achieve higher education for local people even if they are very, very poor.

Now, something that is frightening in this Bill is security. I have an idea and my idea is to have an insurance policy. If we can insure every loanee this would help. There is a kind of insurance we could take and even if somebody dies or disappears the insurance company then will pay for this. We can form an insurance organization for all the loanees. If one of them dies it will not be a bother to the family at all. That insurance company will pay that money and therefore the Fund will always have money. The idea is that we should not frighten parents, relatives and well wishers in case we involve them. We can involve them in this way; we can say, for example, that hon. Angatia is responsible for showing us where hon. George Nthenge is because George Nthenge happens to be a son-in-law or happens to be a niece. We can get a number of people who definitely must know where that person is.

Mr. Obwocha: He cannot be a niece, but a nephew! He is not a woman!

Mr. Nthenge: I know that but I am saying that he might have a nephew or a niece.

Mr. Speaker: He is out of order. Imagine he does not exist.

Mr. Nthenge: Thank you very much Mr. Speaker, Sir. The idea is that I do not want the same system to come up and then die because there is not enough material. I am saying that the forms that every applicant fills should include details of that person including where he comes from, the name of his sub-chief, his clan and so on; the details that are required when one is applying for an identification card. Whenever we are in difficulties in finding that student we give a loan to, we know that once we write to hon. Angatia and the sub-chief of the area where he comes from, we will know his whereabouts. That is one thing that we would like to do much more than confining this problem to one family. People normally say that I have very good ideas but they are not workable. They are very much workable but it is only that some people cannot see far and I happen to see far.

An hon. Member: You are a prophet!

Mr. Nthenge: I happen to have that gift of knowing what is likely to happen. I do not have a gift of remembering things. If you ask me when I did something I forget but once you ask me, "How do you do something?" I do not have a problem.

An hon. Member: Address the Chair!

Mr. Nthenge: Mr. Speaker, Sir, the idea I am having is this; I want us to look at this thing as a national issue and take it very, very seriously because the person who is likely to discover a cure for, for example, cancer which is killing people, *Ebola* and so on might be this student. It is not known from where such a person will come from. He might come from a Pokomo village very far away where people do not even want their children to go to school. Where parents say, "we want to marry off our girls rather than educating them". But because such a girl is brilliant, and can get a loan from the Government she becomes a scholar and discovers a cure for such deadly diseases. So, whenever we are trying to help one individual who is brilliant we are not only helping our nation but the whole world. One person could do a lot. In Kenya here we used to transplant kidneys and one gifted doctor known by the name of Prof. Nelson Awori was leading the team of kidney transplant doctors. When he died the other surgeons told me, "without Awori we cannot risk a kidney transplant because we have to take two people to the theatre at the same time and we are not sure about the operation, but when Prof. Awori was leading us, we were so sure because he was exact and quick". Now, when Prof. Awori died Kenya lost a great person. Although he was number nine of the Aworis, he happened to mean so much to us and to the world. Now, that is why I say that education of one individual may mean a lot to the whole world.

The other point I would like to make is to support Mr. Angatia. When people go to the university, many of them are young. They are in their 20s and they are in the age of excitement whether we like it or not and they are not used to managing money. So, if we give them a lot of money it might end up in night clubs, drinking beer, women students buying lipstick and doing other silly things instead of buying books. However, they are not wrong because they do things according to the way they see things at that time. At that time they think lipstick matters more than books. I am supporting the idea brought up by hon. Angatia that we organise this Board in such a manner that when they take loans say 20 per cent goes to books and they are not given cash but books which are paid for by the Board. Then say 15 per cent goes towards purchasing food and so on and so forth.

Mr. Speaker, Sir, even we grown-ups have that problem. You will see somebody who drives a very large car

failing to pay his electricity bill. In other words, financial management is a kind of a gift. So, why does the proposed Board not become a kind of a "parent" for the poor loanees, by giving them a reasonable amount of cash at a time? We have no objection to them going to discos because it is also good for their brains. A student who studies hard also needs to relax and one way of relaxing is going to dancing places. Therefore, they require a bit of cash for this purpose. In this way, the Board will help students manage their lives and become successful.

Something that tends to worry me is that we employ a lot of people. In my opinion - and I think the Minister will listen to me here again - we should use a lot of civil servants. Since the proposed Board will be a public body it will be possible for it to use education officers, DCs, DOs and so on. District Education officers (DEOs) can be used to locate loanees in the rural areas. I am proposing that each district officer becomes an inspector for the Board. Sometimes we make things expensive for nothing, when we can use the people in the field. Primary school headteachers can also be used. A loanee might have a brother or a sister in a particular school and this will make it easy to trace such a loanee.

Therefore, we should use public servants to avoid paying extra money. The proposed Board should not be top-heavy because this will result in most of its budget going into administrative costs. I have seen organisations incurring heavy costs through administrative arrangements. Instead of an administration officer in Kisumu writing to administration officers in Machakos to get him the necessary grassroots information, he will send another officer to travel all the way to Machakos and thereby incur heavy transport costs. I do not approve of cumbersome methods of doing things. Sometimes I am accused of being too much of a miser, but I think we should spend money reasonably.

The Assistant Minister for Land Reclamation, Regional and Water Development (Mr. Ligale): On a point of order, Mr. Speaker, Sir. It would appear that we have covered most of the points in this debate. Would I, therefore, be in order to move that the Mover be now called upon to reply?

Mr. Speaker: Order! I think this issue was raised about two and a half hours earlier and I refused to oblige. I will now put the question.

(Question, that the Mover be called upon to reply, put and agreed to)

Mr. Shikuku: On a point of order, Mr. Speaker, Sir. When you put the Question, it is expected of every hon. Member to normally shout "Aye" or "No". However, I saw Mr. Juma Boy using his hands, saying "Nooo!". Is that allowed, and is that really in keeping with an hon. Member's behaviour?

Mr. Speaker: Order! Order! Well, that puts me in a difficult position because I actually did not see that. However, my own reaction is that hon. Members should use their mouths, unaided.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. I would like to seek guidance from the Chair. Hon. Ligale said that; "now I call upon the Speaker to reply". Was he in order to call upon the Speaker to reply? Should he not have called upon the Mover?

Mr. Speaker: Order! Mr. Ndicho, I think that is quite frivolous. Normally, the Speaker does not reply to anything. It is the Mover who replies. If he did say that, obviously, he is wrong and you should have risen at that time.

(An hon. Member interjected)

Order! You know what happens to Members who interject! Anyway, today being the first day, I think everybody has a general amnesty. Proceed!

Prof. Mzee: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Not on that! Not any more!

(Prof. Mzee remained standing)

Order, Prof. Mzee! Is it on what is going on in the House?

Prof. Mzee: Yes, Mr. Speaker, Sir. Is it in order for KANU to try to pass this bad Bill very fast without giving the Opposition the chance to contribute? This is just like the Drugs Bill ---

Mr. Speaker: Order! Order, Prof. Mzee! I think, by this time, you should have familiarised yourself with the Standing Orders. Please, get a copy and be with it all the time. It is totally out of order for any Member to revisit an issue which the House has resolved, either in the negative or in the positive. The House has already made a resolution and you have no right at all to revisit that issue. You are out of order. In fact, that point of order, in

ordinary circumstances, would be treated by the Chair as being frivolous. So, please, watch out!

The Minister for Education (Mr. Kamotho): Mr. Speaker, Sir, I beg to reply.

I would like to take this opportunity to thank all the Members of Parliament on both sides of the House, that is, the Government side and also the Opposition side, for their contribution to this Bill. Members from both sides of the House contributed to the Bill very enthusiastically for the three days that this Bill has been discussed. This was before we adjourned last time and the whole of this afternoon.

Mr. Speaker, Sir, I would like to state the objective of this Bill. As I said, when I was moving the Bill, the objective of the Bill is to seek an Act of Parliament to provide for the establishment of a Board for the effective management of a Fund to be used for granting loans to assist Kenyan students to obtain higher education at recognised institutions within and outside Kenya.

Mr. Speaker, Sir, maybe hon. Members have forgotten that a loans scheme for students, taking university education has been in existence for a very long time. As I said, in this august House, we have 40 hon. Members of Parliament, who are beneficiaries of the loan scheme for university students. I am happy to state that all of them are paying their loans. Therefore, they are meeting their obligations. They are up to date, and therefore, as far as we are concerned, we are very, very happy about it.

Mr. Speaker, Sir, during the present time of economic changes and liberalisation which are taking place, it has become necessary that we make cost-sharing a reality. Cost-sharing has been going on since we became independent in 1963 and policy was formulated back in 1974. Today, as far as the university education is concerned, it has become so expensive, and also our own education having expanded so much, both at the lower and higher levels, it is necessary to put institutional instruments in place to be able to manage and administer our education system much more efficiently.

Mr. Speaker, Sir, the purpose of this Bill is just to provide that legal framework which will enable the new Board or the Government itself to be able to disburse and recover the loans disbursed to students taking higher education here at home and abroad in public and private universities. In addition, as my colleagues and hon. Members of the other side stated, the Board will also be considerate as far as students taking post-secondary studies, particularly in Teacher Training Colleges, or even in institutions like the Medical Training Centres, which hon. Angatia referred to are concerned. In other words, the objective is to enable all those taking post secondary studies to study by giving them loans which will enable them to finish their studies.

Mr. Speaker, Sir, also after establishing the Board, we will devise a system that will not only provide a machinery for recovering money from the self-employed graduates, but make sure that those employed in the private sector are also brought into the system. Currently, as I said earlier, the hon. Members here who are beneficiaries of the loan scheme are up to date in meeting their obligations.

Mr. Speaker, Sir, those who are working in the public sector as teachers and civil servants are paying their university loans but most of those working in the private sector are not paying. Therefore, as of today, we have over Kshs700 million outstanding which should have been recovered from ex-university students. This is because, whenever loans are disbursed, they should be recovered to help others who come later. The establishment of the Board will, therefore, assist the Government to ensure that there is no discriminatory treatment of beneficiaries of the loan scheme. This is because it is those working in the public sector who are repaying their loans. But most of those working in the private sector, or self-employed, do not repay back their loans.

Mr. Speaker, Sir, the provision which empowers the Minister, in this Bill, to make regulations governing the management and administration of these new loans--- I would like to assure this House that I will make sure, as the Minister in charge of education now, that the regulations will take into account some of the concerns which have been raised by hon. Members in this House. There is no way the Government will want to do anything which is not in the national interest; which is not in the interest of Kenyans.

Mr. Speaker, Sir, what this Board really seeks to establish is really a check-off system both in the public sector and private sector so that those who are employed will have an automatic payment system back to the Loans Board.

I would also like to state here very clearly that I take very seriously the point raised by hon. Nthenge about looking into the possibility of having an insurance scheme to cover the loans when they are given to students in case of defaulting or in case of a failure to pay by some of the students due to circumstances beyond their control to repay the loans. Therefore the Board will avoid, as much as possible, utilising title deeds as security.

Dr. Lwali-Oyondi: On a point of order, Mr. Speaker, Sir. There is no quorum in the House.

Mr. Speaker: Order! I am sorry, Dr. Lwali-Oyondi, your point of order is flimsy; there is a quorum in the House. Proceed, Mr. Kamotho!

The Minister for Education (Mr. Kamotho): As I was saying, Mr. Speaker, Sir, the Ministry and the Government will do everything possible to minimise applying any methods which will lead to hardship of Kenyan

families of beneficiaries of the loans. Therefore, we will study the possibility of devising a security system of the loan scheme and an insurance scheme will be a very high priority of the Board.

As I said earlier---

Dr. Kituyi: On a point of order, Mr. Speaker, Sir. There is no quorum!

Mr. Speaker: Order! I am informed by the Clerk-at-the Table that there are 31 Members in the Chamber at the moment and that is a quorum. So, we have a quorum. Proceed, Mr. Kamotho.

The Minister for Education (Mr. Kamotho): Thank you, Mr. Speaker, Sir. As I was saying, we will apply methods which will minimise hardships of Kenyan families and those who will benefit from the loan scheme. Therefore, one of the objectives of this Board will lead to the separation of money now used in the universities for tuition from the money used for catering and accommodation. Therefore, this is an important objective that will lead to improving the quality of education at our own universities.

Finally, Mr. Speaker, Sir, the objective of this Board is also meant to supplement or complement, for that matter, the national objective of our Government to make sure that every Kenyan has access to higher education and also that equitable distribution of education resources throughout the country irrespective of the status of the family or the community, for that matter, is implemented to the letter. I am sure this will give all Kenyans, whether rich or poor, a possibility of acquiring higher education. At the same time, because in the past the loan that has been going on, of Kshs21,500 being given to students at this time and age is inadequate. As I said earlier when moving the Bill, the cost of educating a Kenyan child in our public universities has been cost and established to be Kshs120,000 per year. It is the aim of the Government to set up a system that will enable Kenyans to have their education with the co-operation or with cost-sharing with the Government. This is efficient education and quality education for the benefit of Kenyans and the Kenyan economy.

In conclusion, Mr. Speaker, Sir, I would also like to state very clearly that we will do everything possible to be extremely flexible in the formulation of regulations to govern this particular Board.

So, with those few remarks, Mr. Speaker, Sir, I beg to move.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

ADJOURNMENT

Mr. Speaker: Hon. Members, I think it is now time for us to interrupt our business. The House is, therefore, adjourned until tomorrow, Wednesday, 7th June, 1995 at 9.00 a.m.

The House rose at 6.25 p.m.