

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 3rd May, 2006

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

The Report of the Controller and Auditor-General together with the Appropriation Accounts, other Public Accounts and the Accounts of the Funds for the year 2003/2004 together with Appendices I, II and III.

Quarterly Budget Review - Third Quota, 2004/2005

Quarterly Budget Review - Fourth Quota, 2004/2005

*(By the Assistant Minister for Finance
(Mr. Kenneth) on behalf of
the Minister for Finance)*

QUESTION BY PRIVATE NOTICE

NUMBER OF SACKED CHIEFS/
ASSISTANT CHIEFS

Mr. Khamisi: Mr. Deputy Speaker, Sir, I beg to ask the Minister of State for Administration and National Security the following Question by Private Notice.

(a) Could the Minister table a list of all chiefs and assistant chiefs who have been sacked during the past six months giving names of their constituencies and reasons for termination?

(b) Could he further explain how soon he intends to fill the vacant positions?

Mr. Deputy Speaker: Hon. Members, the Assistant Minister, Office of the President for Administration and National Security is here but he has requested that we hold on a bit. So, let us move on to the Ordinary Questions.

ORAL ANSWERS TO QUESTIONS

Question No.101

VALUE OF TARDA-FUNDED PROJECTS
IN MBEERE DISTRICT

Mr. J. Nyagah asked the Minister for Regional Development Authorities:-

- (a) what projects TARDA has funded in Mbeere District in the last three years; and,
- (b) what the value of those projects is.

The Minister for Regional Development Authorities (Mr. M.A Mohamud): Mr. Deputy Speaker, Sir, I beg to reply.

(a) In the last three years, TARDA has funded the following three projects in Mbeere District:-

- (i) Kiambere Irrigation Project,
- (ii) Kiambere Environmental Conservation Project; and,
- (iii) Mbeti South Water Project.

(b) Kiambere Irrigation Project was jointly funded by the Government of Kenya (GoK) and Saudi Arabia to the tune of Kshs600 million. TARDA, has also over the last three years, spent a total of Kshs21,255,184.65 on the operations and maintenance of both Kiambere Irrigation Project and Kiambere Environmental Conservation Project. During the period, TARDA identified the Mbeti South Water Project whose pre-feasibility study is being undertaken at a cost of Kshs485,000 out of which Kshs91,000 has already been paid. The total cost of the project is estimated at Kshs161 million out of which Kshs11 million will fund feasibility studies and complete project design including supervision of construction. However, we are in the process of liaising with the Ministry of Water and Irrigation with a view of handing over this particular project to the relevant sector Ministry for further appropriate action.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, TARDA has done very little work in Mbeere District in spite of the fact that we gave them free land for agricultural purposes. The impression TARDA is giving to the people on the ground is that they are funding the water projects in Mbeti. Could the Minister re-confirm what TARDA is telling us on the ground that they are, in fact, spending Kshs11 million for studies and Kshs161 million for the actual projects, to avoid the confusion that TARDA is creating on the ground?

Mr. M.A. Mohamud: Mr. Deputy Speaker, Sir, this is a project that has not yet started and as I said in my answer, these are just estimates. Since TARDA does not have funds at the moment, we want to push the projects to the Ministry of Water and Irrigation.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, TARDA concentrates only on the Tana River side. What is TARDA doing on the Athi River side to ensure that the people also benefit from irrigation?

Mr. A.M. Mohamud: Mr. Deputy Speaker, Sir, the irrigation schemes undertaken by TARDA may not be feasible in the near future because as you are aware, the generating aspect of TARDA was transferred to the Ministry of Energy. The dams may also be transferred to the Ministry of Energy. So, we may not be undertaking many irrigation projects as a result of that problem.

Mr. Muturi: Mr. Deputy Speaker, Sir, in response to part "a" of the Question, the Minister says that there is Kiambere Irrigation Project and Kiambere Environmental Conservation Project. He further said that Kiambere Irrigation Project was jointly funded by the Government of Kenya and Saudi Arabia to the tune of Kshs600 million. Coincidentally, I visited this area on Sunday. I would like the Minister to explain what has been funded to the tune of Kshs600 million because all the land in that section he is talking about, lies fallow. There is absolutely no development around there. So, where could have Kshs600 million been sunk into? Indeed, there is nothing like Kiambere Environmental Conservation Project. I think this answer is a confusion. This is within Masinga Dam area.

Mr. M.A. Mohamud: Mr. Deputy Speaker, Sir, it is true that all the Kshs600 million did not go to the farm. We spent Kshs150 million on the farm and Kshs400 million on the road connecting Kagonde and Embu which is about 80 kilometres. There is a balance of Kshs50 million which will be used to improve the farm structure.

As for the environmental aspects, we have conservation projects at Masinga Dam and Kiambere.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, how does the Minister justify the existence of these regional authorities? What will the country lose by disbanding them and channelling funds for their purported activities to the relevant Government Ministries?

Mr. M.A. Mohamud: Mr. Deputy Speaker, Sir, it is true this Ministry is underfunded. However, our role is complementary. We complement other Ministries like the Ministries of Water and Irrigation and Livestock and Fisheries Development. Our projects are generally integrated. We do not do a specific project. These projects include irrigation schemes and so on.

Mr. Deputy Speaker: Last question, Mr. J. Nyagah!

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, given that our people donated this land for free and they are continuously denied access to this area and that they cannot even be allowed to touch the water from rivers flowing in this area--- Given those unfortunate and very serious implications for the people of Mbeere District, could the Minister agree that it is necessary for him to visit these projects, so that he knows the true position? Could we fix a date with him as this is a matter of national importance?

Mr. M.A. Mohamud: Mr. Deputy Speaker, Sir, all I said is the whole truth. However, if the hon. Member wants me to tour the area, I will do so.

Secondly, Mbeere District generally has not benefitted much from the TARDA projects, but we are considering constructing two dams for them in the next financial years.

Mr. Deputy Speaker: Next Question, Mr. J.M. Mutiso!

Question No.295

EXCLUSION OF KITHANGATHINI
FARMERS SOCIETY FROM
STABEX FUNDING

Mr. J.M. Mutiso asked the Minister for Co-operative Development and Marketing why the Ministry discriminated against Kithangathini Coffee Farmers Co-operative Society Limited in Makueni from accessing STABEX funds for coffee improvement.

The Assistant Minister for Co-operative Development and Marketing (Mr. Mwenje): Mr. Deputy Speaker, Sir, I beg to reply.

The Ministry has not at all discriminated against Kithangathini Coffee Farmers Co-operative Society Limited (KCFCSL) from accessing STABEX funds for coffee improvement.

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, KCFCSL comprises five co-operative societies some of which include Kivete, Kithangathini and Nthiani. In December, last year, the Government set aside Kshs5.6 billion for STABEX I. There is also another amount of STABEX II, which is meant for coffee improvement and farm inputs for farmers. It is being lent on behalf of the Government by the Co-operative Bank of Kenya. Coffee farmers have tried to apply for the money, but they are always asked to seek approval from the Commissioner of Co-operatives. Could the Assistant Minister clarify why his Ministry is putting an extra condition on these funds?

Mr. Deputy Speaker: Mr. J.M. Mutiso, is that condition only applicable to KCFCSL to justify the claim on discrimination?

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, I may not be aware about the rest of the coffee societies, but I am aware that this particular society is being discriminated.

Mr. Deputy Speaker: Let us hear from the Assistant Minister.

Mr. Mwenje: Mr. Deputy Speaker, Sir, first of all, I would want to correct that notion that STABEX loans were waived. It is not STABEX loans that were waived, but loans owed by societies, which they had borrowed from the Co-operative Bank of Kenya. However, STABEX funds are revolving. This money continues being lent to those who applied. The reason this particular society has not accessed these funds is because, according to the Co-operative Act, they are supposed to seek authority in their Annual General Meeting (AGM) to make a ceiling for the borrowing. The society has up to date not passed a resolution on the amount they should borrow, which should be approved by the Commissioner of Co-operatives. I have information that they had a meeting last week and they have now resolved the ceiling on how much they can borrow. We are still waiting for this information at the Ministry. The moment this information is availed, we will approve it, so that they are in a position to borrow funds from the Co-operative Bank of Kenya.

Mr. Twaha: Mr. Deputy Speaker, Sir, are STABEX funds exclusively for coffee farmers or can cotton and cashewnut farmers access these funds?

Mr. Mwenje: Mr. Deputy Speaker, Sir, these funds are purely for coffee improvement.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, the Assistant Minister said that the KCFCSL has not come up with a resolution showing a ceiling on how much they should borrow. There is a resolution. In fact, on several occasions, officials of KCFCSL have visited the Co-operative Bank of Kenya, Machakos branch, and they are usually told they have no authority to access these funds. Who is supposed to give them the authority to borrow the money because they are members of a society, they grow coffee and they have five factories which they run?

Mr. Mwenje: Mr. Deputy Speaker, Sir, the authority comes from the AGM. The AGM of these societies must pass a resolution on the ceiling of how much they can borrow. This is then approved by the Commissioner of Co-operatives in the Ministry. This has not been done. I have just told hon. Member to get this resolution brought to the Ministry. As at yesterday, this information had not been brought to the Ministry. Personally, I checked with the DCO in the area. He said he had it in hand, but he has not sent it to the Ministry. If this information is brought by tomorrow, I will organise for those members to borrow money the following day.

Mr. Deputy Speaker: Finally, Mr. J.M. Mutiso!

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, without much ado, the Assistant Minister has answered the Question. I am very satisfied.

Mr. Deputy Speaker: Thank you, Mr. J.M. Mutiso.
Next Question, Mr. Lesrima!

Question No.003

FACILITATION OF PEACE
COMMITTEES IN NORTH RIFT

Mr. Lesrima asked the Minister of State for Administration and National:-

- (a) whether he is aware that Peace Committees in the North Rift of the Rift Valley Province are informal and perform voluntary work; and,
- (b) when the work of these committees will be facilitated through provision of vehicles and allowances

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

- (a) Yes, I am aware that the peace committees are informal and perform voluntary work.
- (b) There is no provision for vehicles and allowances for the committees. But there are arrangements made by the District Commissioner,

Samburu District, to avail vehicles when the committees intend to travel to any place to carry out their work. In addition, our development partners like the Oxfam, Arid Lands Resources Management Programme and the ITDG have been paying the committees some allowances for their operations.

Mr. Lesrima: Mr. Deputy Speaker, Sir, I have heard the answer given by the Assistant Minister, but my Question does not refer to Samburu District. My Question refers to the North Rift. However, there seems to be no concrete proposals by the Government to formalise these committees. I know that the Samburu District Peace Committee is active in the region. I know that voluntary arrangements by the DC do not work, because he does not have adequate vehicles for himself and his DOs. What we want is an institutional permanent mechanism to facilitate peace committees in the North Rift to move from one constituency to another to promote dialogue among local communities.

Mr. Kingi: Mr. Deputy Speaker, Sir, we have formal peace committees in our office. Even the one that was involved in an accident the other day is one such committee. In addition to the formal committees that we have, we have informal committees comprising of old men, church leaders and businessmen who are willing to mediate between warring parties to bring peace. So, such committees are facilitated by the DC when they need transport. Also, our development partners sometimes go out of their way to give them small out-of-pocket allowances.

Mr. Bahari: Mr. Deputy Speaker, Sir, while I agree that DCs could sometimes provide transport for peace committees, it appears that the district security agents have transferred their roles to these committees. Could the Assistant Minister undertake to find a way of mainstreaming them into the legal framework? He could bring an amendment to the relevant law to the House, so that they can be recognised by the law?

Mr. Kingi: Mr. Deputy Speaker, Sir, that is a good suggestion and we will take it up.

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, DOs are in charge of security committees in their divisions all over the country. But DOs in most divisions countrywide lack vehicles to move around to maintain peace and order. Could the Assistant Minister tell us what he is doing to avail vehicles to the DOs, who are in charge of peace and security within their divisions, otherwise, peace is going to be elusive? We cannot have peace when DOs are stuck in one place due to lack of vehicles.

Mr. Kingi: Mr. Deputy Speaker, I answered that question last week. An hon. Member raised the issue of lack of vehicles for DOs. I told the House that we were in the process of buying vehicles to be supplied to divisions. Our plan is to ensure that at the end of the day, every DO has a vehicle in his station.

Mr. Deputy Speaker: Last question, Mr. Lesrima.

Mr. Lesrima: Mr. Deputy Speaker, Sir, the Government spends a lot of resources in resolving conflicts. For instance, it spent Kshs19 million in disarming the Pokots last year, and Kshs8.3 million in disarming Samburus. We can now see what is happening around this country. I would like to request the Assistant Minister to institutionalise these peace committees, so that they prevent conflicts before they arise. They could also be used in disarming communities. Could the Assistant Minister confirm that he will avail enough resources to these committees?

Mr. Kingi: Mr. Deputy Speaker, Sir, that issue has already been raised by an hon. Member. It is a good suggestion and we will look into it.

(Loud consultations)

Mr. Owino: On a point of order, Mr. Deputy Speaker, Sir. Could the hon. Members consult in low tones so that we can follow the proceedings?

Mr. Deputy Speaker: Order, hon. Members! You have heard what the hon. Member has said. I have been asking you from time to time to consult in low tones, so that hon. Members can follow the proceedings. Could you, please, consult in low tones?

We will now go back to the Question by Private Notice.

(Mr. Kingi stood up in his place)

Mr. Deputy Speaker: What is it, Mr. Kingi? You asked for a little bit of time and I have given you 30 minutes. Look at the clock!

The Assistant Minister, Office of the President (Mr. Kingi): Mr. Deputy Speaker, Sir, I still seek your indulgence for a few more minutes. The Question is important and I want to give an adequate response to it.

Mr. Deputy Speaker: All right you have another 15 minutes.

Next Question by the hon. Member for Molo, Mr. Mukiri.

Question No.119

SHORTAGE OF FILMS/P1 FORMS
IN NAKURU DISTRICT

Mr. Mukiri asked the Minister for Immigration and Registration of Persons:-

(a) whether he is aware that there is an acute shortage of films and P1 Forms in Nakuru District and many people in some parts of Molo Constituency are already over 18 years; and,

(b) whether he could inform the House when the problem will be addressed.

The Minister for Immigration and Registration of Persons (Mr. Konchella): Mr. Deputy Speaker, Sir, I beg to reply.

(a) We have provided Form 136C for computers and sufficient copies are available.

(b) The District Registrar has been advised to monitor the stock levels and replenish accordingly.

Mr. Mukiri: Mr. Deputy Speaker, Sir, the Minister has not answered my Question. He is talking of Forms 136C, which is a different thing from films. The other day the Government announced that issuance of ID cards is going to be free, but what is happening is that passport size photographs are being charged for because the Government does not have enough films. As much as Form 136C is available the films are not available. Therefore, what is happening is that people are being charged money because the Government does not have films. They are paying Kshs100, or Kshs200 for the photographs. I want to know from the Minister what he is doing to avail films to the whole of Nakuru District.

Mr. Konchella: Mr. Speaker, Sir, first of all, we did not issue Form P1. Ours is actually Form 136C. On the issue of films, there is no problem. They are available. I believe the officer concerned is not doing his job, because the films are available in the head office. Should he ask for them, he will be given sufficient stock, as the need arises.

Mr. Sambu: Mr. Speaker, Sir, the issue of ID cards is very serious, particularly in circumstances where people have lost their ID cards and have police abstract forms. I saw one lady in my constituency who has used the police abstract form for 5 years. She has kept on travelling to Mosoriot to look for her ID card. Registration Officers have kept on asking her for more money and yet her ID card has not been forthcoming. Could the Minister undertake to instruct his officers at the head office to release all replacement ID cards to those who lost their ID cards?

Mr. Deputy Speaker: Mr. Minister, you know that we spent a lot of time on this issue of ID cards and you even issued a Ministerial Statement last week. Could you, please, try to streamline this matter as per the hon. Member's request?

Mr. Konchella: Mr. Deputy Speaker, Sir, the problem is the public. When you go anywhere in the Republic today, you will find that there are a lot of cards that have not been collected by the public. They tend to move out to other parts of the country where they apply afresh for new IDs while the initial applications are being processed. When the IDs are ready, they are not collected by the rightful owners. They are finally returned. Last year, more than 500,000 IDs were returned to Nairobi because nobody was collecting them. If there is anybody in the Republic who has not collected his ID for a long time, let him or her go and report to the Registrar of Persons in the district so that we can ascertain whether the ID was processed. We will know through the computer whether it is still lying or not instead of them going to get new ones. This amounts to duplication. It will delay more because the computers will reject the two applications.

Mr. Weya: Mr. Deputy Speaker, Sir, could the Minister tell us why they would return three million IDs from the districts to Nairobi? Unlike the NHIF which provides to hon. Members lists of individuals who have not been able to pick up their money, could the Minister also consider getting those cards and sending them to individual constituencies? He should also give us a list so that we can use our chiefs and our DOs and Dcs to distribute these cards.

Mr. Konchella: Mr. Deputy Speaker, Sir, these ID cards have been lying for more than ten years. Some of the owners are dead or have moved out of the country. It is, therefore, a matter of an individual saying: "I applied for an ID card and I have a form here." It is for the individual to go and report to the relevant Registrar of Persons so that we can trace the ID card wherever it is.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, this Government has not been issuing ID cards for quite some time. Many Kenyans are now above 18 years. Could the Minister waive the penalty of the people who are above 18 years that have not been issued with ID cards because of the mistake of the same Government?

Mr. Konchella: Mr. Deputy Speaker, Sir, with due respect to the hon. Member, that is not correct. The law says that within six months after birth, you are entitled to birth certificate and at the age of 18, you should apply for an ID card. However, most people do not bother to apply for them when they attain 18 years. After some time, the law says that you have to pay the penalty. It is, therefore, not because the Government does not issue them with ID cards but because the people have not bothered to apply for them.

Mr. Sambu: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister in order to mislead the House that people do not follow up when I have personally gone to the registration headquarters and demanded to get the ID cards? While I was there, one of the secretaries was calling a Mr. Patel and saying: "Mr. Patel, your wife's ID card is ready. Where shall we bring it to you in Westlands?" Yet they could not send the ones for my constituents.

Mr. Deputy Speaker: Mr. Sambu, is that really a point of order?

Mr. Sambu: Yes, Mr. Deputy Speaker, Sir. Is he in order to mislead the House when we go there and yet for an Indian they call the person to deliver to them their ID cards?

(Laughter)

Mr. Deputy Speaker: So, it is a point of order!

Mr. Konchella: Mr. Deputy Speaker, Sir, I can assure the House that there is no discrimination for all Kenyans of whatever race or colour. We do not discriminate! There may be other more active people than others. Of course, we also know that those who are far away are not able to collect their ID cards in time. However, we are doing everything to ensure and advise the officers on the ground to make sure that Kenyans get their ID cards. Indeed, the Ministry is going to ensure that before the end of this year, all Kenyans who are eligible will get their ID cards.

Mr. Deputy Speaker: Well, we cannot go on forever. I will allow Mr. Omingo and then have

the last question. Let nobody else stand in their place!

Mr. Omingo: Mr. Deputy Speaker, Sir, the Kenyan youth are being disenfranchised to exercise their human and constitutional rights to vote. In 1970, we got our ID cards in school. That is more than 25 years ago. Could the Minister, who is my good neighbour, consider investing on instantaneous issuance of ID cards as it was done in 1978?

(Applause)

Mr. Konchella: Mr. Deputy Speaker, Sir, when the hon. Member was getting his ID card, the population of Kenya was probably 15 million.

Hon. Members: No!

Mr. Konchella: Mr. Deputy Speaker, Sir, right now, the population of Kenya has doubled that figure.

Prof. Anyang'-Nyong'o: On a point of order, Mr. Deputy Speaker, Sir. Could the Minister speak slowly? We are not hearing what he is saying. He should use the microphone so that we could hear what he is saying. The issue of ID cards is very serious and we have many questions to ask the Minister. I do not think the Minister should gloss over these questions. Would it be in order for me to ask the Minister to come up with a comprehensive statement to this Parliament to explain all the pertinent points regarding the ID cards? For example, in my location, a young woman is required to go back to her parents to get their approval in Samia. In Luo, if you go back to your parents and you have not paid the dowry, you will be arrested there.

(Laughter)

Mr. Deputy Speaker: Order, Professor! You stood on a point of order!

Prof. Anyang'-Nyong'o: Yes, Mr. Deputy Speaker, Sir. Is it in order for me to ask the Minister to bring to the House a comprehensive and final statement on this issue and stop speaking in Kimaasai?

Mr. Deputy Speaker: Order, Professor! I think the Chair addressed this issue by hon. Members last week. Indeed, the Minister brought a Ministerial Statement but from the look of things, there are still a lot of problems. As I said last week, if I were seated on the benches, I would also be asking the same questions. Mr. Minister, could you, please, address the issues raised by hon. Members, once and for all? We need the ID cards! Could you, please, respond to the various questions? I will then move to the last question by Mr. Mukiri.

Mr. Konchella: Mr. Deputy Speaker, Sir, I know that hon. Members are worried about the number of their voters. This is why everybody is very keen. I am glad they are because Kenyans also deserve them. It is their right to get these ID cards. I would like to assure this House that nobody is going to be discriminated or left out. However, we must understand that people lose their ID cards or need to get new ID cards once they get married. The law says that you have to change your particulars. If they do not know that they are supposed to change their particulars to get new ID cards, it becomes a problem for them, like Prof. Anyang'-Nyong'o is complaining about. It is an issue of people understanding what they are supposed to do so that they are able to change and get new ID cards.

Mr. Deputy Speaker: Mr. Minister, do you not have these problems in your constituency? Is it only the hon. Members who are raising this issue who have these problems? Do you have these problems in Trans-Mara? Is it only in Mwingi, Molo and other parts of the country? Is it in Trans-Mara?

Mr. Konchella: Mr. Deputy Speaker, Sir, the problems are everywhere, but we are sorting

them out as much as we can.

(Mr. Omingo stood up in his place)

Mr. Deputy Speaker: Order, Mr. Omingo! Last question, Mr. Mukiri! Sit down, Mr. Omingo!

Mr. Mukiri: Mr. Deputy Speaker, Sir, the Minister and I come from the Rift Valley Province. I have talked to the Provincial Registrar of Persons in charge of the Rift Valley Province. He said that he receives only ten cartons of films every month which is not enough for the whole Province. Could the Minister confirm that when he goes back to the office, he will ensure that the Rift Valley Province, Nakuru District, and especially Molo will receive enough films? The registrars should also be stopped from charging money for those photographs because it is very expensive for the citizens.

Mr. Konchella: Mr. Deputy Speaker, Sir, I think everybody is aware that these ID cards, for first applicants, are free. I do not see why anybody should complain because they are entitled to free issuance of ID cards. With regard to the issue of films, I have said that films are available and I will find out what is the problem with the Nakuru District because they are supposed to have enough films.

Mr. Deputy Speaker: Next Question!

Question No.297

PAYMENT OF DUES TO PENSIONERS

Mr. Kombe asked the Minister for Finance what he is doing to ensure that the following pensioners are paid their dues:

Name	Min/Dept	P/No.	APN/PCNo.
Edward K. Mumbo	OP	67015626	
Samuel K. Chengo	Health	80031803	
Mary K. Tsuma	Health	77041352	
Julius J. Dhulo	Health	73030715	
H. M. Thoya	Health	1979196925	
B. K. Kashuru	Water	30751	
Late Karuu M. Tuva		17397	
Karisa K. Kasau		69007996	
Charo G. Masha	Agriculture	59002588	
Charo Nyanje	Lands	64011445	
Late N. K. Yeri	KWS	0050(002964)	
Late J. S. Chula	DOD	52267/86095813	
Samuel M. Kalama	TSC	82557	161508
J. N. Maingi	Forest	1125370	
Karisa M. Kijongo	Health	1987111230	
Late Mwapeku N.	DOD	55909	
Rosdgers K. Nguma	TSC	47624/167	
Florence Mbae	TSC	060285	

The Assistant Minister for Finance (Mr. Kenneth): Mr. Deputy Speaker, Sir, I beg to reply. Out of the list of 18 names that the hon. Member gave, 15 of them are still waiting for their retirement documents for the purposes of processing the retirement benefits. In the meantime, to facilitate and fast-track the process, we have written to the parent Ministries of the concerned officers so as to forward the pension papers to the secretary and the Director of Pensions for purposes of

processing the pension benefits.

Mr. Deputy Speaker, Sir, with regard to Mary Kahonzi Tsuma, a lump sum pension was paid on 10th May, 2005. Gratuity related to Samuel Masha Kalama was processed and paid to the Assistant Public Trustee on 17th June, 2005. Concerning the late Karuu Tuva, we are still waiting a response from one of the widows. A letter was sent on 13th December last year, yet no response has been forthcoming.

Mr. Kombe: Mr. Deputy Speaker, Sir, I wish to thank the Assistant Minister for the answer. However, why has it taken too long for the Assistant Minister to remit pension for the late Samuel Kalama to the concerned people?

Mr. Kenneth: Mr. Deputy Speaker, Sir, the signature next of keen is Mr. Zablon Kyalo, who was a brother of the deceased. The actual cheque was written on the 17th June, amounting to Kshs297,255.40, and was made to the Assistant Public Trustee and a copy sent to the beneficiary. The beneficiary should go to the public trustee in Mombasa with a copy of the letter we gave him and he will have the cheque released to him.

Mr. Chepkitony: Mr. Deputy Speaker, Sir, I would like to know from the Assistant Minister, whether the processing of the cheques is done in conformity with the Bill that was passed in this House last year?

Mr. Kenneth: Mr. Deputy Speaker, Sir, as far as the pension issue is concerned, I know that various hon. Members have previously raised questions, some of which have not come to the Floor of this House, relating to some individuals and they will come. From the Treasury's point of view, we are trying to process those pensions, including paying in lump sum. One of the unfortunate thing is that one of the processing documentations have not been forthcoming from the various Ministries, where the pensioners were working. I want to assure hon. Chepkitony that any pension form that has been brought to the Treasury, we are trying to process it as fast as we can.

Mr. Deputy Speaker: I think the hon. Member is alluding to the Pensions Amendment Act which requires that pensions be paid within three months of retirement, failure to which it earns interest. That is the law. The hon. Member is asking if that is what is happening.

Mr. Kenneth: Mr. Deputy Speaker, Sir, I have not confirmed if that, indeed, is the position.

Mr. Ojode: Mr. Deputy Speaker, Sir, we passed an amendment Bill which was brought by one David Musila. Why can the Assistant Minister not implement that Act, which was passed in this House because in my constituency, I have 25 pensioners who have not been paid their dues? What is the problem with the Ministry?

Mr. Kenneth: Mr. Deputy Speaker, Sir, let me first correct the hon. Member. That Motion was brought by the hon. Deputy Speaker and not by one David Musila. For the purposes of hon. Ojode, I think we must be respectful to the Chair.

The most important thing is for the Treasury to be of service to pensioners. That is what we owe to Kenyans. That is what we are undertaking to do, to conform with that Motion that was brought by hon. Musila.

Mr. Manoti: Mr. Deputy Speaker, Sir, Kenyans appreciate what pensioners have done for this nation, yet it is a problem to pay them their money. Could the Assistant Minister confirm or deny that there is a problem of losing files in his Ministry?

Mr. Kenneth: Mr. Deputy Speaker, Sir, as I said before, the issue has been the actual documentation getting to the Treasury and for the forms to be filled in the right manner. In one of the questions hon. Kombe has asked, there is the question of one pensioner who had five widows. One widow has filled the forms because in issues regarding pension, all the beneficiaries have to fill forms. The problem we have to address is how the forms come from the respective Ministries to the Treasury before the processing of the pensions.

Mr. Kombe: Thank you, Mr. Deputy Speaker, Sir. Some of the pensioners were assisted by

the former hon. Member for Magarini and not me. He only handed over the names to me. These are cases pending since 1997 and, yet the law is clear that within 90 days, pensioners have to be paid. What guarantee is there that these people will be paid in the next three months?

Mr. Kenneth: Mr. Deputy Speaker Sir, I have the list that hon. Kombe gave me. I said that 15 pensioners in the list have not had their forms processed from their respective Ministries to be forwarded to the Treasury. If the forms can be processed by the respective Ministries and be brought to the Treasury, I will be happy to ensure that those concerned are given their retirement cheques and appease the hon. Member by having them sorted out.

Mr. Deputy Speaker: I think it is also the responsibility of the Ministry of Finance to ensure that the Ministries concerned comply with the law because the administrator of the law is, actually, the Minister for Finance. Do you agree with me, Mr. Assistant Minister?

Mr. Kenneth: Mr. Deputy Speaker, Sir, we have written to the respective Ministries. The problems emanate from the forwarding addresses that the pensioners leave behind. They leave addresses behind so that certain documents are forwarded to them, something which is not forthcoming.

Mr. Deputy Speaker: What is your point of order, Mr. Ndolo?

Mr. Ndolo: Mr. Deputy Speaker, Sir, is the Assistant Minister in order to mislead this House whereas we know that the cheques that he is talking about are worth Kshs5,000 only which is not even enough money for the pensioner to go home.

Mr. Deputy Speaker: I did not get him. Did you, Mr. Kenneth?

Mr. Kenneth: Mr. Deputy Speaker, Sir, I have not misled the House. Indeed, with regard to my answers to Mr. Kombe's Question, the lumpsum amount had been paid. The amount, is in fact, over Kshs200,000 and not Kshs5,000 as hon. Ndolo has said.

Mr. Kombe: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to say that he sent a letter to one of the widows requesting her to identify the other four widows? If he did not have the particulars of those widows how did he know that this particular pensioner was married to five women?

Mr. Deputy Speaker: That is a question, but I will allow the Assistant Minister to answer it.

Mr. Kenneth: Mr. Deputy Speaker, Sir, for that particular case, the forwarding address was P.O. Box 3, Malindi. One widow responded and the other four have not responded yet although they are all beneficiaries. If the hon. Member is aware of the whereabouts of the other widows, he can assist them in filling the forms so that the payment can be processed.

Question No.209

DISCRIMINATORY RECRUITMENT OF JOB APPLICANTS IN THARAKA DISTRICT

Mr. Kagwima asked the Minister for Planning and National Development:-

(a) why the Ministry, in September, 2005, employed candidates who did not apply for jobs in Tharaka District, leaving out the applicants and those who were interviewed; and,

(b) if he could make available lists of the applicants and those employed.

The Assistant Minister for Planning and National Development (Mr. Ethuro): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Ministry of Planning and National Development recruited research assistants for the Participatory Poverty Assessment Programme in July, 2005 and not September, 2005 for 18 sample districts which included Tharaka District.

(b) There were eight research assistants and two team leaders recruited in Tharaka District. They were not necessarily recruited for this exercise. What happened is that we got them from the samples already set up for the Kenya Integrated Household Budget Survey which were advertised in 2004. We did not recruit afresh because Participatory Poverty Assessment is part of the Kenya Integrated Household Budget Survey.

Mr. Kagwima: Mr. Deputy Speaker, Sir, one year is a long time. The Assistant Minister is talking about the list of 2004 and we are talking of interviews that were conducted in 2005. The Assistant Minister, unfortunately, was misled by the facts--- There were verbal advertisements and people applied for the jobs in 2005. Part (b) of my Question requires the Assistant Minister to avail lists of applicants and those employed in the year 2005. I am not bothered about 2004.

Mr. Ethuro: Mr. Deputy Speaker, Sir, I thought the hon. Member had the same answer as mine. We have actually listed 15 names of people who were interviewed including their overall performance. Out of the 15 people, we got the 10 names of the successful applicants. I can read out the list for him if he does not have it.

Mr. Deputy Speaker: Do you have the list with you?

Mr. Ethuro: Mr. Temporary Deputy Speaker, Sir, I have the list.

Mr. Deputy Speaker: Please, lay it on the Table of the House.

Mr. Ethuro: I will do so, Mr. Temporary Deputy Speaker, Sir.

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

Mr. Deputy Speaker: Mr. Kagwima, I have the answer here with me and it has the names. What about you?

Mr. Kagwima: Mr. Deputy Speaker, Sir, I have the answer. It is only that we are talking of two different things with the Assistant Minister. He is talking of the list of 2004 and I am talking of the applications of 2005. I am not interested in the list of the 2004 applicants, rather I am interested in the one of 2005 applicants. Could he, please, table that list?

Mr. Deputy Speaker: Mr. Ethuro, do you have the list of applicants for 2005?

Mr. Ethuro: Mr. Deputy Speaker, Sir, the ten people who were recruited for the Participatory Poverty Assessment Programme in July, 2005 were obtained from the people who had been recruited for the Kenya Integrated Household Budget Survey of 2004. Out of that list, we got 15 people who were interviewed. That was the same list for 2005. Out of the 15 applicants, ten qualified. I have both lists with me, that is, the list comprising of the 15 applicants and the other one for the ten applicants who were successful. In 2004, we only had the sample size.

Mr. Kagwima: On a point of order, Mr. Deputy Speaker, Sir. Could you, please, bridge the gap between the Assistant Minister and I in terms of time? In 2004, there were interviews. In 2005 there were applications that were received and some of the applicants did not make it. If the Ministry used the list of people who had applied in 2004, what was the need of calling people for interviews in 2005?

Mr. Deputy Speaker: That is a question I will ask you to ask when I get back to you.

Mr. Bahari: Mr. Deputy Speaker, Sir, I see the difference between what the Assistant Minister and the hon. Member are saying. The hon. Member is saying that there was an advertisement for the 2005 applications. He wants the names of the people who applied in 2005. However, the Assistant Minister said that there was no advertisement for 2005 applications. He picked applicants from the list of 2004. Could they, please, synchronise the two lists?

Mr. Ethuro: Mr. Deputy Speaker, Sir, you cannot reconcile the two. In fact, one is a progression of the other. There were actually interviews conducted in 2005, but the people who were

called for those interviews are the people who had applied in 2004. These are two exercises that are part of the same thing. That was the rationale that was used.

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

Mr. Deputy Speaker: Order, Mr. Bahari!

Mr. Ethuro: Mr. Deputy Speaker, Sir, I said that the Participatory Poverty Assessment is part of the Kenya Household Budget Survey and so we used the same applicants. When you ask people to apply for jobs, you will definitely get so many applicants. So, some were taken during the first part of the exercise and others were called for interviews for the second part of the interviews.

Mr. Kagwima: Mr. Deputy Speaker, Sir, I want to seek your indulgence so that the Assistant Minister can go back and then bring a correct answer. It is true that there was a verbal advertisement in 2005 and people went for interviews. The people who applied are not the same ones in the old list of 2004.

Mr. Deputy Speaker: I also do not seem to get it right. I think you should spend some time with the Assistant Minister so that you can bridge the gap between the two of you.

I, will, therefore, defer the Question until next week on Tuesday.

I will now go back to the only Question by Private Notice!

QUESTION BY PRIVATE NOTICE

NUMBER OF SACKED CHIEFS

/ASSISTANT CHIEFS

Mr. Khamisi: Mr. Deputy Speaker, Sir, I beg to ask the Minister of State for Administration and National Security the following Question by Private Notice.

(a) Could the Minister table a list of all chiefs and assistant chiefs who have been sacked during the past six months giving names of their constituencies and reasons for termination?

(b) Could he further explain how soon he intends to fill the vacant positions?

Mr. Deputy Speaker: Where is the Assistant Minister, Office of the President? He has been playing games with the Chair! Right from the beginning, he asked me to defer the Question to a later date. I did so, but up to now, he is not here. It is an hour since he made that request.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, when the Assistant Minister asked you for more time, it was really in good faith. He told me that he had hoped that, perhaps, the other Questions would take a little more time. The information he has is according to districts and divisions. He has not got the information according to constituencies. He had requested that his officers now start telephoning. He has been looking at the Door to the Chambers all the time in the hope that the officers will bring the information according to the constituencies. May I beg your indulgence that this Question is put on the Order Paper for tomorrow when I am sure he will have the information?

Mr. Deputy Speaker: Very well, but I think the Assistant Minister should have come and informed the House about the difficulties he had instead of playing around with the Chair; that he be given more time. It is an hour now since he asked for more time and Question Time is over. So, I will ensure that this Question is given priority tomorrow. So, he must answer it tomorrow. It will be the first Question on the Order Paper tomorrow. Is that okay Mr. Khamisi?

Mr. Khamisi: Mr. Deputy Speaker, Sir, this is a very important Question. As I speak, some chiefs are being sacked throughout this country. The Chair has said correctly that this Assistant Minister has been playing games. Is it in order for any Minister to play games with the Chair?

Mr. Deputy Speaker: Order! I think I have concluded that matter as far as the Assistant Minister is concerned and the Question will be before the House tomorrow.

Mr. Okemo: Mr. Deputy Speaker, Sir, arising out of the information given by the Vice-President and Minister for Home Affairs, I know that in Kenya every constituency consists of locations and divisions. If the names have been given by locations and divisions, it is not very difficult to identify the constituency. So, I do not think that, that is the correct information. I think it is a way of just trying to cheat because if we have divisions we should be able to know where they exist.

Mr. Deputy Speaker: Order, Mr. Okemo! The word "cheating" is unparliamentary!

Mr. Okemo: Mr. Deputy Speaker, Sir, the Assistant Minister is trying to mislead the House.

Mr. Deputy Speaker: As I said, I have finished that matter. However, I am not satisfied with the manner in which the Assistant Minister has treated this House. He approached me first thing in the morning and requested me that we deal with the Question later because he is getting more information. You will recall that 30 minutes later he asked for more time and I gave him 15 minutes. When he mentioned to me about the issue of constituencies, I told him to tell that to hon. Members on the Floor of the House. Now I see he has disappeared. He can run but he cannot hide. He will be here tomorrow to answer this Question.

(Question deferred)

(Resumption of Ordinary Questions)

Hon. Members, Question No.310 by Mr. Sambu is deferred. He is in agreement with the Minister for the Chair to defer it.

Question No.310

LACK OF EFFECTIVE TEACHING
IN PUBLIC PRIMARY SCHOOLS

(Question deferred)

Question No.211 by Mr. Weya is also deferred because the Acting Minister for Energy informed the Chair earlier that he and his Assistant Minister will not be in. Therefore, this Question will be deferred generally until we know when the Minister will be available.

Question No.211

IMPLEMENTATION OF NYANJA
REPORT ON KPLC/KENGEN

(Question deferred)

Next Question.

Question No.068

IMPROVEMENT OF BURA AIRSTRIP

Mr. Wario asked the Minister for Roads and Public Works what steps the Government is taking to improve the condition of Bura Airstrip.

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, I beg to reply.

My Ministry has taken all the necessary steps to improve the condition of Bura Airstrip. In the 2004/2005 Financial Year, a sum of Kshs500,000 was issued for the repair and maintenance of the airstrip. The funds were issued for bush-clearing, spot-patching of the runway, improvement of the access road to the airstrip and procurement and installation of a windsock. In the next Financial Year 2006/2007, a sum of Kshs500,000 will be allocated for the general maintenance of the airstrip to keep it in good condition.

Mr. Wario: Mr. Deputy Speaker, Sir, I thank the Minister for the answer. It is true something has been done. This being the only airstrip in a constituency of 16,000 square kilometres could he consider making it an all-weather airstrip?

Eng. Toro: Mr. Deputy Speaker, Sir, we will give this consideration once we have had communication with the Kenya Airports Authority (KAA) on the upgrading of the airstrip. Airstrips do not have the same capacity and importance. If the KAA agrees that it needs upgrading then we will put more money for maintenance because once it is upgraded more planes will be landing there as opposed to what is happening now. It will require a proper runway and more money to be injected.

Mr. Deputy Speaker: Hon. Members we are past Question Time. Last one, Mr. Wario!

Mr. Wario: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister.

MOTIONS

REDUCTION OF EXCISE DUTY ON PETROLEUM PRODUCTS

THAT, in view of the increasing poverty levels in the country; realizing that over 56 per cent of our population live below the poverty line as the commodity prices continue rising due to uncontrolled oil prices; noting with concern that the transport sector continues to be adversely affected by high oil prices; this House resolves that excise duty on kerosene, super petrol and diesel be reduced by two shillings from the current levels of 7.205; 19.895 and 10.305 respectively.

(Mr. Ojode on 26.4.2006)

*(Resumption of Debate
interrupted on 26.4.2006)*

Mr. Deputy Speaker: The Question was proposed after the Motion was seconded by Mr. Omingo. Therefore, it is open for debate.

Mr. Khamasi: Thank you, Mr. Deputy Speaker, Sir, for giving me a chance to contribute to this Motion. I want to thank Mr. Ojode for seeing the sense to bring this Motion to this House.

It is high time we addressed the issue of oil companies seriously. They make huge profits, but they do not care about the consumers. They have no feelings at all. The multinationals in the oil industry have formed cartels. They control the prices of oil and the Government has got no control whatsoever because of the policy of liberalisation. The Government is totally toothless. It seems to have no control even as it watches its own citizens suffer in the hands of these multinationals.

Mr. Deputy Speaker, Sir, the Government is not protecting its citizens from this type of mafia cartels. To be honest, those in authority are asleep. This is because as the oil companies increase the price of fuel left, right and centre, this Government does nothing. When international oil prices go up

all sectors are affected. This includes the transport and agricultural sectors and the price of foodstuffs. It affects everybody in the economy. The Government does not compensate the ordinary *mwana nchi* whom it is supposed to protect.

When oil prices go down, the oil companies will never reduce their prices. They keep all the proceeds. At the end of the day, all these profits are repatriated back to their home countries. We never hear of any multinational company; whether it is Shell BP, Caltex or Mobil giving anything back to the people of this country.

Mr. Deputy Speaker, Sir, I have never come across a school or any water project which has been sponsored by any of those companies. It is time for the Government to rise up and protect the citizens of this country from such like mafia type cartels. The Government should not cry all the time that this is a liberalised economy. We know some countries in this world where there is liberalisation. But they will not let their citizens suffer under similar circumstances that we have in the oil industry. It is time to tell people in authority to wake up and protect Kenyans! What is happening is filthy. Those cartels are carrying away filthy profits to their own countries. It is unnecessary for us to continue saying that we are a liberalised economy. We cannot do anything and yet, we see the oil companies making huge profits which they do not plough back into this country. It is important to address the issue squarely. More often than not, we are threatened that, if we bring in any controls, those people will wind up and go back to their home countries. I say: Let them go! Even it is tomorrow, let them go! There are people who can invest in that industry. It is a lucrative industry. So, there is no point in the Government telling us: "You know, if we bring back controls, we will be scaring away investors. We will lose everything!" Let us take the bull by the horns. Let us control the prices of oil, which is a very important commodity in our economy. We cannot let it go unchecked any further. We cannot allow those cartels to go on charging any prices as they wish.

Mr. Deputy Speaker, Sir, one day, I would wish to see a scenario where, when international oil prices go down, you go to a petrol station and find that prices have been reduced. That has never happened. Those people do not care at all. I do not know why this Government is so sympathetic to companies which exploit the citizens right in front of its eyes. It is unfair. That is not why we were elected. We were elected to control and help the citizens of this country.

With those few remarks, I beg to support.

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, thank you for giving me an opportunity to contribute to this wonderful Motion. I want to thank Mr. Ojode for being mindful of the spiral-effect of the high cost of fuel in this country. Fuel cost is one of the reasons why we are losing a lot of foreign exchange. When I was the Minister for Energy, we had statistics to the effect that, we spent nearly Kshs40 billion importing petroleum products. At that time, and even now, Liquefied Petroleum Gas (LPG) was gaining currency as an item that required zero-rating when it came to taxation. The reason why we wanted LPG zero-rated was because we wanted to be mindful of the environment. We knew that about 70 per cent of domestic fuel in this country depended on firewood and products related to the environment. Therefore, to protect the environment, we proposed - and it was agreed - that LPG be zero-rated. To make this more widespread, there is need to scrap all taxes that are visited on kerosene. If we promote the use of kerosene and LPG, very few people will be dependent on wood fuel. We will be very friendly to the environment.

Mr. Deputy Speaker, Sir, this is a good Motion. I believe that by zero-rating kerosene, we will be relieving the poor of this country of a big burden. All of us are assaulting poverty. It is the poor people who use kerosene. The reason why petroleum products are costly in this country are manifold. The first reason is that 90 per cent of petroleum products are in the hands of multinationals. Those multinationals source petroleum products jointly. They compete with the same form of knowledge and fix the prices. When I was the Minister for Energy, I attempted to deal with them. But they are a very difficult lot. They have invested in certain facilities like common storage and outlets. They have so

many outlets to such an extent that a new player in the industry would not get an opportunity to access the market at, more or less, the same level of cost. So, the area that we need to revisit - and do so urgently - is to regulate the prices of petroleum products.

Mr. Deputy Speaker, Sir, I know that South Africa is doing the same. In South Africa, you cannot just come and charge any price that you please. It is subject to regulation. That regulation has kept petroleum prices in that country very low. Most countries in Europe and United States of America have zero-rated taxes on petroleum products. To show that multinationals fix prices, let me give the following example. If you go to western Kenya, for instance, Kisumu, Eldoret, Bungoma and Kisii, prices of petroleum products are lower than in Nairobi. Even at times, the prices are lower than in Mombasa. Why is that? In western Kenya, there is flourishing presence of independent petroleum dealers. They are offering stiff competition to multinationals in those areas. I remember a period when the price of premium in Western Kenya was Kshs61 per litre. But it was Kshs65 in Nairobi. That had in-built the cost of transporting petroleum products from Mombasa to Kakamega. We did calculations backwards and found out that, at that particular time, the correct price of imported premium, even if you had paid duty in Mombasa, was about Kshs50. In Nairobi, there is heavy presence of multinationals. They are chopping off the independent petroleum dealers. More often than not, they decline to open up the common storage tanks for independent dealers. Therefore, they do not have an opportunity to do business in Nairobi and lower the prices. The other problem that must be dealt with is the Kenya Revenue Authority (KRA). For some time, KRA had insisted on payment of taxes up-front. Payment of taxes up-front became an excuse by multinationals to increase the prices, claiming that the cost of the money for paying the taxes had to be passed on to consumers.

Time and again, successive Ministers for Energy have talked about increasing funding to the National Oil Corporation (NOC). The NOC is the public organisation that should be the price leader. But there has been reluctance on the part of the Ministry of Finance to give funding to the NOC. The corporation continues to be under-funded and it is unable to achieve its mandate, which is to import petroleum products and, therefore, it is not effective in terms of price reduction.

Mr. Deputy Speaker, Sir, corporations like NOC, in most countries, including Nigeria and Malaysia, play very important roles in price control. They are the ones who import the petroleum products, set the prices and, therefore, multinationals are unable to sell at high prices. But right here, the NOC continues to plead with the Treasury for funding, even to build certain common user facilities, but the Treasury is reluctant to look in that direction. The Treasury and the Government have succumbed to too much pressure from the World Bank and IMF not to fund State corporations. I am sure if these State corporations were funded then oil prices would definitely come down.

Mr. Deputy Speaker, Sir, I also want to say that the zero-rating of LPG gas has not been beneficial to the public because the building of the loading facility in Mombasa has been left to the private sector to take the lead. The driving engine in the private sector is profit all the time. If we legislate in this House and leave the benefit to the private sector, we end up not achieving what was intended. So, I want to humbly suggest to the Minister for Finance, and I am glad he is here in person, to look for plenty of money and fund the NOC, and also find a way of introducing regulation in the petroleum sector, because energy is key to production. A lot of investors who want to come to this country, and I am sure the Minister for Trade and Industry is aware, complain of the high energy costs in this region.

With those remarks, I beg to support and thank the Mover of the Motion.

Mr. ole Metito: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Motion.

Mr. Deputy Speaker, Sir, I want to support this important Motion which has come at the right time. Two days ago when we were marking Labour Day, the President appealed to multinational oil companies to bring down fuel prices. I want to thank hon. Ojode for bringing this Motion, which can

be described as a Motion for the disadvantaged. As we all know, the price of fuel determines the prices of all commodities, be it foodstuff or farm inputs.

Mr. Deputy Speaker, Sir, we also know that the energy sector has been liberalised. It is because of this liberalisation that we are having this problem of inflated fuel prices. Liberalisation has its own disadvantages. It always tries to widen the gap between the rich and the poor. It is a practice in which only the rich benefit. The Government should always come in. The transfer of this Kshs2 can actually be spread. If the Government feels it will lose revenue, I would suggest that the Kshs2 that the Motion is trying to urge the House to reduce, can be transferred to either cigarettes or beer, and the Government will still collect the revenue. So, I would suggest to the Minister for Finance to consider that. He can even transfer, say, Ksh1 to cigarettes and the other to beer and raise the same amount of money he had budgeted for.

(Applause)

Mr. Deputy Speaker, Sir, liberalisation has actually resulted in a lot of dumping. When you visit petroleum companies, you find that we even have very low quality products. If we reduce the cost of kerosene, it will even assist our country in conserving our environment. Right now, our forest cover is 1.7 per cent, yet the internationally required standard is 10 per cent. So, people are actually moving towards other sources of energy, for instance, firewood, because of the high cost of Kerosene. So, bringing down the cost of kerosene will actually make our people conserve our forests and we will have the advantage of having a lot of trees and forests on our land.

Mr. Deputy Speaker, Sir, I would also want to say that the cost of fuel has actually increased the cost of transport. These days in Nairobi, a distance of 30 kilometres costs Kshs100 by *matatu*. So, if the Government supports and implements this Motion, it will assist the disadvantaged and reduce the cost of farm inputs. The Government should control these multinationals. These multinationals will not go anywhere because they are in business. It is high time we asked them to plough back some of their profits to our economy. We should not allow them to gang up in the name of liberalisation to oppress the common man and kill our economy through inflation.

With those remarks, I beg to support.

Prof. Olweny: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to add my voice in support of this Motion.

In this country, millions of people live below the poverty line. Poverty in this country is notably high. One of the factors that have contributed to poverty amongst Kenyans is the cost of petroleum products. The cost of petroleum products is reflected in the various operations carried out in this country. Some operations are expensive. It has become too expensive for the farmer to fuel his tractors. All the operations that involve the use of petroleum products have become costly. Travelling has become very expensive for the average Kenyan; whether you travel by road, rail or air.

Mr. Deputy Speaker, Sir, we know that all the manufacturing processes in this country use one form of energy or the other. Sometimes, electricity is produced by burning petroleum products. That makes the industrial products very expensive. We all know that processed food products are expensive mainly because of the high cost of fuel in this country. In the rural areas, the cost of operating *posho* mills that use diesel is very high. The *Jua Kali* sector is equally affected. The Government undertook to create 500,000 jobs annually. This can be achieved through the expansion of the *Jua Kali* sector. It has become difficult to do this because of the high costs of inputs and the fuel required to run some of those operations.

Every sector of our economy has been affected by the high cost of petroleum products. The question is: Do the prices of petroleum products in this country reflect the price of crude oil and that of refining crude to the various products? I do not believe that, that is the case. The oil companies

operating in Kenya increase the pump price arbitrarily, across the board. It is as if they attend a small *Kamukunji* where they make a decision on the margin by which each oil company is supposed to increase its pump prices. Nobody understands whether this, indeed, is what the Government intended to achieve when it liberalised this sector.

(Mr. Deputy Speaker left the Chair)

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

Mr. Temporary Deputy Speaker, Sir, the level of taxation on some of the petroleum products also makes the particular products too expensive for Kenyans. Therefore, the Government should think about this and do something about it. The level of taxation on certain petroleum products should be reduced. I thought that the oil pipeline that was constructed from the Coast all the way to western Kenya was supposed to reduce the cost of petroleum products. I do not think it has done so. The cost of diesel and petrol has not reduced significantly even though the products are transported upcountry mainly by the pipeline.

The Kenya Pipeline Company should consider the fact that the pipeline was meant to reduce the cost of transporting petroleum products and, thereby, reducing their prices. If the prices of Liquefied Petroleum Gas (LPG) and kerosene are reduced, we will be able to conserve our forests and protect our water catchment areas. Due to the high cost of kerosene and LPG, which we use for cooking, most Kenyans have resorted to the use of trees, which are burnt to make charcoal or dried for use as firewood. That is too expensive for the environment.

Mr. Temporary Deputy Speaker, Sir, some time back, this country used gasohol. It was tried and was very successful. The Agro-Chemical Company Limited in Muhoroni was put up for the production of gasohol as well as for production of other forms of alcohol for other uses. Ethanol produced by that factory was blended with petrol and the product was successfully used to run vehicles in this country. Unfortunately, that initiative was stopped. I believe that some oil companies were involved in that sabotage. The use of gasohol would lower the cost of running **[Prof. Olweny]** vehicles and hence reduce the general cost of transport within the country. It would be more beneficial to both the sugar and petroleum industries in the country.

In countries like Brazil, where the sugar industry is thriving, gasohol is used all over. In fact, in Brazil, vehicles are manufactured in such a way that they can switch to gasohol or to pure petrol any time. If you want to use pure petrol, you do so straightaway. If you want to use gasohol or a blend of the two products, you can very easily do so. However, in this country, where we have so much alcohol produced by Spectre International and Agro-Chemical Company Limited, the oil companies have sabotaged the use of gasohol, which is a blend of alcohol and petrol, aimed at reducing the cost of running vehicles and reduce the cost of transport in the country.

Mr. Temporary Deputy Speaker, Sir, if we use gasohol, thereby reducing the costs of fuel, we will bring down the cost of living for Kenyans. Farm operations will cost less. The general cost of living will go down and everybody will be happy. We will conserve more of our forest cover and protect our water catchment areas. The water level of Lake Victoria would not recede as it is doing lately.

With those remarks, I beg to support the Motion.

The Assistant Minister for Local Government (Mr. Tarus): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the debate on this Motion.

I have read the Motion and I have seen the interest to have tax reductions on kerosene, petrol and diesel. I would like to oppose the Motion. We recognise that the source of revenue is taxation,

particularly from petroleum products. If this Motion is implemented, we will see a reduction from the revenue base by over Kshs5 billion. Taking into consideration the need to fast-track the development of this country and build a self-reliant economy, we need to think twice about the considerations of this Motion.

Mr. Temporary Deputy Speaker, Sir, we need revenue to address the issues of poverty. In the past, we have relied so much on donor funds. Sometimes we have even factored into our annual Budgets donor funds which have sometimes not been forthcoming. I would advocate that we should lead this country into self-reliance. We need to improve on the management of our resources. That is why I would be very reluctant at this stage to advocate for tax reductions.

We have known that when the Government reduces taxes, hardly does the common man benefit. You will realise that prices do not go down when taxes are reduced and, therefore, the multinational companies remain with the money. With the introduction of the free primary school education, the budget of the Ministry of Education is running at over Kshs70 billion. Like it happens in Germany, Kenyans are requesting to have free secondary school and university education. We cannot meet all these demands if we do not have enough resources. Kenyans are requesting us to consider reducing fees in secondary schools and possibly take responsibility for tuition in secondary schools. We need revenue to do that.

With regard to health care, we have a long way to go. The health care burden that the Government needs to bear is very high. We should improve on tax administration and sensitise Kenyans to pay tax, so that we can improve on service delivery. One of the ways in which costs can be reduced is by maintaining our infrastructure. We should tarmack our roads. This will not only reduce the price of fuel, but also the maintenance cost. We need enough revenue to reduce the cost of transport. We also need to initiate income generating programmes amongst the poor. For the Government to be able to address poverty, it needs enough revenue. For us to address the development challenges of this country, we need to improve on our tax collection and management.

Mr. Temporary Deputy Speaker, Sir, everyday it is our concern that the Government should implement programmes to ensure that there is security in the country. Without sufficient revenue, this will be just a dream. Therefore, without taking much time, I oppose this Motion.

Mr. Okemo: Mr. Temporary Deputy Speaker, Sir, I support this Motion with a number of provisos.

If the intention of the Motion is to reduce the price of oil products, then I have a bit of misgivings because I do not think it will do so. History is full of examples. This House has had to reduce taxes on petroleum products without any impact whatsoever on the prices to the consumers coming down. Therefore, I support the spirit of the Motion, but we have to address ourselves to the mechanisms that we have to use to ensure that besides reducing taxes, how do we ensure that the reduction translates to advantages to the consumer? That is the biggest problem.

If you look at the cost of petroleum products, for example, crude oil, you will realise that we have very little control over these prices. We import crude oil and the prices are externally determined. The crude oil is then processed. We cannot influence the price of crude oil unless we do something about the cost of refining. This means that the issue of the refinery facilities must be addressed. Our refineries are some of the oldest and, therefore, the cost of refining is very high. That translates to higher cost of production.

Mr. Temporary Deputy Speaker, Sir, then there is the issue of transportation. The oil is refined, processed and transported to the final consumer through the pipeline, road and the railway line. After that, you have to add the overhead costs, the profit margins of all the oil dealers and taxation. If you do that analysis and look at every component of the cost of petrol, then you probably may be doing very little by just reducing taxes.

It is a false argument to say that we should not reduce taxes because we are going to affect the

tax revenue. It is the same revenue that you purport to use to support the ordinary *mwana*chi. If you are collecting tax and the money is not being used for the purpose for which it is intended, then you are better off leaving the consumer with that money, so that he has the discretion to spend it. It is just like taking with the right hand and giving away with the left hand. The Treasury will argue that this is going to affect the tax revenue and our ability to finance the Budget. For a heavily taxed population such as Kenya's, it has a better impact on the economic-development and growth if you leave the money in the pocket of the poor person, so that it is available for him to spend.

This Motion is well intentioned. It is in the right spirit, but it is not going to achieve the purpose for which it is intended because of those legal omissions. There is no legal framework to ensure that the dealer will reduce the price commensurate with the reduction in the taxes.

Mr. Temporary Deputy Speaker, Sir, maybe to help the Treasury, I will go further and say that as a more imaginative way of dealing with the issue, if we reduce the price by Kshs2, we could ring-fence this money and specify for what purpose it is going to be used. So, this House should direct that the Kshs2 that could be reduced or whatever amount that we reduce, will be ring-fenced and can be used specifically for earmarked development projects, even if it means the Constituencies Development Fund (CDF) or whatever it is but that money will go for a particular purpose. Therefore, the Treasury, instead of having the money to spend, that money will be ring-fenced and it will be directed towards a specific project or programme.

Mr. Temporary Deputy Speaker, Sir, therefore, I would like, if possible, that we come up with a legal framework sometime in the life of this Parliament. We can have a mechanism that when we reduce tax and the effect of that is intended to profit or benefit the common man, that there should be a legal framework to ensure that, that benefit fully devolves to the consumer.

At the moment we do not have such a mechanism and, therefore, I do think that the intention as I said is good. The spirit is good but I do not think we are going anywhere with the Motion. It is a good expression of intent. That is all it is, really. If it was, for example a Motion to seek the permission of this House to introduce a Bill, then I think we would be making some progress but otherwise this is just an academic exercise.

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

Mr. Mukiri: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Motion. It is a Motion that needs to be supported.

Mr. Temporary Deputy Speaker, Sir, the issue of oil to an economy is very important. If the prices of fuel are so high this obviously affects our economic growth. Therefore, it is very important that when we address issues of the economy, we have to address the issue of oil prices. As much as this Motion is important, we have to look at why these prices are so high. This is an issue of liberalisation. A lot has been said about liberalisation but if there is a sector where the consumer in this country has been left vulnerable, it is in the fuel sector.

Mr. Temporary Deputy Speaker, Sir, every time I go to my constituency, I never fuel my car in Nairobi because fuel in Nakuru in my constituency is far much cheaper; it is about Kshs5 cheaper than in Nairobi. I do not understand the logic why fuel in parts of Nakuru, Eldoret and the rest of the country should be far much cheaper than in Nairobi.

This is an issue of liberalisation. It is greed. I think as a country we have to address ourselves to the politics of liberalisation. Why should we leave the consumers to be so vulnerable? Why should we leave poor Kenyans at the mercy of these multinationals? Why not regulate some parts of our economy? This is because I do not think we should let the International Monetary Fund (IMF), the World Bank and the rest of the donors dictate to us how we should run our economy. We should not allow them to send their own citizens and multinational companies to come and exploit us.

Mr. Temporary Deputy Speaker, Sir, as much as liberalisation may be good to an economy, I think in this country and especially in the fuel sector, it is not working for us. I think in some other

jurisdictions, some countries have refused to liberalise some very important sectors of the economy. We need to look at also whether we have put in enough capacity and explored our other areas of energy.

On oil exploration, we have been told by the Government year in, year out, that they have been carrying out oil exploration. We have been told that they have found oil in Malindi and North Eastern Province. We need to know from the Government what they are doing so that Kenya as a country can have its own source of fuel so that we do not leave ourselves to exploitation from these multinationals. If this country had its own oil, I think it would go a long way in fighting this battle whereby we have to bring the prices of fuel down.

Mr. Temporary Deputy Speaker, Sir, I think the main problem that we have in this country is greed. Just the other day, we saw on television Kenyans mixing fuel. You find diesel and petrol are being mixed with paraffin. This is because Kenyans would wish to access cheaper fuel but this cannot happen because the oil industry is so controlled by multinationals that the ordinary Kenyans are not able to access cheaper fuel. Therefore, I would ask the Government to take this issue of fuel very seriously.

Somebody has already said before that as much as we pass this Motion, we have to address the question of whether or not the Government is going to implement it. There are people who have been advocating that this House now needs to move from passing Motions because we are going to pass this Motion but is the Government going to implement it? I think it is time that as parliamentarians, and the Chair stands condemned, we must change this policy of this House whereby we keep on passing Motions and the Government does not implement them. We must change the Standing Orders so that Parliament now moves from just passing Motions and into implementing them so that once we pass an important Motion like this one, the Government is going to implement because that is the law.

With those few remarks, I beg to support.

Mr. Mwandawiro: Bw. Naibu Spika wa Muda, asante kwa kunipa fursa hii ili nichangie Hoja hii. Ninaiunga mkono nia ya Hoja kikamilifu. Nia ya Hoja hii ni kujaribu kuhakikisha ya kwamba wananchi wetu wamefaidika kutokana na sekta ya kawi.

Ikiwa bei ya mafuta ya taa imekaribia bei ya diseli, basi watu wengi wanaotumia mafuta taa wanaumia sana. Watu wengi hutumia mafuta taa sana katika matumizi ya kila siku. Hata hivyo, ni wenye magari ambao wanafaidika kutokana na bei ya juu ya mafuta. Hii ni kwa sababu bei ya diseli na petroli ni karibu sawa na ile ya mafuta ya taa. Nia ya kuona kwamba ushuru umepunguzwe ili wananchi wetu wafaidike ni ya busara sana. Hofu kubwa ni katika utekelezaji wa Hoja hii.

Bw. Naibu Spika wa Muda, watu wengi wameanza kuzungumza kuhusu madhara ya soko huru. Soko huru ni mpango ambao sisi tunauthamini kama vipofu bila kuelewa ni nini tunafanya. Sisi tunataka ubinafsishaji wa mashirika yetu uendelee. Hata hivyo, tunaendelea kuyapiga vita mashirika yetu kila siku, hasa Shirika la Petroli la Kitaifa. Hii ni kwa sababu Benki ya Dunia imetuagiza kubinafsisha mashirika yetu. Mojawapo ya suluhisho kubwa ni kuimarisha Shirika la Petroli la Kitaifa. Kama taifa, uchumi wetu utaendelea kukua iwapo tutayaimarisha mashirika yetu. Tunahitaji sekta ya ubinafsishaji lakini sekta hii haiwezi kunawiri bila sekta ya umma. Tatizo kubwa ni kwamba Serikali imeshindwa kusimamia mashirika ya kitaifa yanayouza petroli na mafuta ya taa kila pahali. Sisi Wabunge tukiunga mkono ubinafsishaji wa mashirika hapa nchini, tunafikiri hilo ni suluhisho. Hatuwezi kupata suluhisho hilo. Hata nchi hii ikipata mafuta katika Wilaya ya Lamu, wananchi wetu hawatafaidika kwa sababu ya sera ya ubinafsishaji. Mfano mzuri ni nchi ya Nigeria. Mpaka sasa nchi ya Nigeria ina mafuta mengi lakini wananchi wake hawatafaidiki kwa sababu wanafuata sera ya kibepari. Nchi hiyo inanyonywa na mashirika ya kimataifa. Wananchi wake wana shida kabisa ya mafuta. Nchi ambayo inajali maslahi ya maskini na watu wake, inafaa kuimarisha sekta za umma katika kusimamia ushuru. Mfano ni nchi ya Venezuela. Wakati Bw. Chavez aliteuliwa kama Rais wa nchi hiyo, Serikali

ya Venezuela ilianza mara moja kusimamia mafuta yake. Wananchi wa Venezuela wameanza kufaidika kutoka kwa mafuta yao na hata kuzifaidi nchi zingine za Latin America kama Cuba. Serikali ya Bolivia nayo inasimamia gesi. Bila kusimamia rasilimali kuu za kitaifa, hatuwezi kuendelea. Tukipata mafuta Lamu ama pahali pengine katika Mkoa wa Pwani, hii italeta vita zaidi ikiwa tutaendelea na sera za ubinafsishaji.

Bw. Naibu Spika wa Muda, ikiwa tutapitisha Hoja hii ni lazima tuwe na mikakati kamili ya kuhakikisha ya kwamba kodi itakayopunguzwa itawasaidia watu wetu ambao hawajiwezi kiuchumi. Tunajua kwamba Bajeti ya mwaka jana ilipendekeza bei ya bidhaa fulani zipunguzwe ili wananchi wetu wafaidike. Hata hivyo, bei ya bidhaa hizo haijapunguzwa. Tukiendelea hivi, hata tukipunguza kodi tutaendelea kuwafaidi mabepari wanaomiliki makampuni ya kimataifa. Ni lazima tufikirie mikakati na sera zetu za kiuchumi. Ni lazima tuimarisha sekta za Serikali na za ubinafsisaji. Tusiitumie uimarishaji wa uchumi kiholela ili kuangusha sera za Serikali. Tukifanya hivyo, Serikali itakuwa ikilalamika na tutakuwa tumeivunja nguvu.

Bw. Naibu Spika wa Muda, ninakubalina na Bw. Ochilo-Ayacko kwamba moja ya suluhuhisho ni kuimarisha Shirika la Petroli la Kitaifa ili liwe linaendelea kununua petroli kutoka Iran na nchi zingine, pia liweze kushindana na sekta zingine za kibinafsi.

Bw. Naibu Spika wa Muda, kwa hayo machache, naunga Hoja hii mkono.

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, the Minister would like to respond to this Motion at this moment.

The Minister for Finance (Mr. Kimunya): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand, unfortunately, to oppose this Motion. While the spirit of this Motion is good, the logic is very persuasive and that the circumstances are quite understandable, but the reality is very different. We recognise that the rising oil prices together with the increase in the cost of food have resulted in inflationary pressure that, in the recent past, has adversely affected, not just the transport sector, but Kenyans generally, and obviously, increased the incidents of poverty.

We, as a Government, are fully committed to mitigating these adverse effects of the high international oil prices by ensuring prudent monetary and fiscal policy management. This House will appreciate that despite the very high oil prices currently at upwards of US\$73 per barrel, which is the highest the price has been in a long time, the pump prices have not shot up as much as they would have before, because of the efforts we have made in stabilising the currency to cushion the market from the exchange losses.

Mr. Temporary Deputy Speaker, Sir, I am encouraged by contributions that have been made by hon. Members on this Floor. Yes, we want to support Kenyans and reduce poverty, but we must remember that as we do that, we will not fight poverty by reducing the tools that we require to fight it. We will only fight poverty by investing more in fighting poverty. Mr. Okemo gave a classic situation by saying: "Let us leave the money with the people, so that they can fight poverty on their own." I am sure the Chair is aware that, that approach was tried in the past, where we said that people should be left with the money to pay their school fees, hospital bills and so on. We saw what happened to this nation. People did not pay for school fees or hospital bills. We ended up with 1.2 million children out of school. We ended up with all manner of problems in the health sector and dilapidated infrastructure. So, we, as a responsible Government, believe we should be mobilising all these resources from all manner of places and then applying the resources to investments that reduce poverty levels in this country.

Mr. Temporary Deputy Speaker, Sir, this House will appreciate that we put in a lot of resources in education, upwards to the tune of Kshs70 million. We have also put in resources in the health sector. We also pumped a lot of resources into our water sector. We are also pumping resources into the mitigation of drought issues and generally for the improvement of infrastructure, which, combined, will lead to the effect that we desire, of reducing the number of people living below

the poverty line, from 56 per cent to manageable levels.

This House is also appreciative of the fact that we are putting an upwards of Kshs7 billion in the Constituencies Development Fund (CDF) at the rural areas, at the centre of where people are, to create for them people-based development programmes that will alleviate poverty.

Mr. Temporary Deputy Speaker, Sir, I am quoting the Kshs7 billion earmarked for CDF, because from our own rough calculations of the economic impact of this Motion, we project that it will not be viable. Based on our projection of fuel consumption in the year 2006/2007, we anticipate that kerosene consumption will be 301,000 metric tonnes, which translates to about 555 million litres. Consumption of super petrol will be 388,000 metric tonnes, which translates to about 715 million litres, while consumption of diesel is estimated at 961,000 metric tonnes, which translates to 1,072,000,000 litres. The monetary impact of this Motion is that by reducing the rate by Kshs2, we will in effect be reducing the revenue that we expect to collect from these sources by Kshs1.1 billion for kerosene, Kshs1.4 billion for super and Kshs3.5 billion for diesel. This adds up to Kshs6 billion. This Kshs6 billion is just Kshs1 billion short of the amount we are spending on the CDF.

Two weeks ago, when I tabled the Supplementary Estimates in this House, I indicated that we have a deficit of Kshs31 billion, which we have to borrow from our domestic market. The effect of pushing this deficit further by an extra Kshs6 billion will be that we will have to go back to the domestic market to borrow these money. We will have to borrow more money to meet the expenditure that we committed ourselves to in order to mitigate effects of poverty. This will have a knock on effect on all expenditure, because interest rates will affect not only the volume but also the value of transactions.

It might be important for hon. Members to appreciate that the Excise Tax that we are talking of is actually levied on volume and not on value. What has happened is that, because of the way of managing the economy and maintaining inflation at low rates, in effect the consumers have had real savings in terms of value of money over the last 6 years, during this period there has been no adjustment of this Excise Tax by what we estimate as 50 cents per year per litre. This means that basically during the last 6 years the real cost of fuel -inflation adjusted - has actually gone down by between Kshs1.50 and Kshs2.50 per litre.

Mr. Temporary Deputy Speaker, Sir, kerosene has been referred to by many hon. Members, and I know it is used by most of our people in rural areas. You may recall that one or two years ago - I believe it was in the 2002/2003 Budget - that there was an increase in the Excise Duty rate from 5.7 to 6.7 per litre. The objective of this was to achieve some parity between the Excise Duty rate on diesel and kerosene to avoid illegal mixing of kerosene and diesel that used to occur. This had a negative effect on our car engines. We need to look at some of those things that were done in the past for reasons other the desire to collect revenue.

I have indicated that by implementing this Motion we will increase our deficit by Kshs6 billion. I have also indicated that we have drought-related expenditures that would need more resources. We have a request by hon. Members to adjust the CDF rate upwards and other expenses that have been adjusted upwards. We have also got situations where we are not factoring any bilateral or multilateral support by donors until it is confirmed.

As of now, based on our own framework for the Financial Year 2006/2007, we will have a deficit of Kshs16 billion. Increasing this deficit further can only worsen the situation for the very people we want to save. The perception that reducing the Excise Duty by Kshs2.00 would automatically translate to gains by the people is not correct. We know that this has not happened in the past. I am glad that some hon. Members mentioned that. The oil companies will not necessarily respond to this reduction. What will happen is that we will be telling our wananchi that we want their fuel prices reduced, but the real beneficiaries will be the oil companies, who will rake in more profits. They will maintain their pump prices, and will not necessarily pass on any benefit to our people. The

Kenyan people will have lost an opportunity to mobilise Kshs6 billion which would have been used to construct better roads. These funds can be used to develop efficient transport modification, promotion of alternative energy, including investments in bitumen and power that would translate into better living standards for our people.

Mr. Temporary Deputy Speaker, Sir, what we need is more competition and surveillance in the petrol sector, so that we can reduce fuel prices to the benefit of our people. We need better roads and more empowered citizenry that looks at wealth creation, and not the poverty they are in, as the way to get themselves out of their poverty.

Before I conclude, I would also mention that there is a tendency coming out, which may be unconstitutional, where we are trying to introduce an extra tax on some commodities. I have heard proposals to increase duty on cigarettes, beer and other items to recoup what we will lose through the proposed reduction in duty. I believe that this House cannot levy extra taxes on anybody or discuss that possibility without offending the Constitution.

The impression that has been created here is that our economy is being managed by the IMF and the World Bank. The impression is that all these prices are as a result of micro-management by the IMF and the World Bank. I would like to confirm to this House that our economy is run by a Government that was elected by the Kenyan people. Its management is based on policies and laws that are enacted by this House. We are together in this partnership of running this economy. Therefore, the impression that is being created that the International Monetary Fund (IMF) and the World Bank are micro-managing this economy can only be unfortunate. I believe, we need to have that in perspective in terms of looking forward to say: "How do we help Kenyans get out poverty? We are going to help them get out of poverty by considering, as a House, how we can play our oversight role in controlling expenditure. As a House, we need to ask ourselves: How can we contribute to the *wananchi* part of the Kshs5 billion that is budgeted for this House? Can we plough some of that back to the *wananchi* through savings in our foreign travel and our own costs so that at the end of the day, the *wananchi* will reap the benefits from the savings we will be making from ourselves as a Government, from the savings that would be made by this House, other organs and extra efficiencies through our parastatals which would then be translating into investing in the people.

Mr. Temporary Deputy Speaker, Sir, I know the Motion is emotive and it touches our people. I know we all have vehicles and we feel the cost of increases in terms of the pump prices. I also know that we would all like to see our fuel prices come down so that we can enjoy more comfortable rides. I am sure that our people will enjoy that. However, the reality is different. Let us not strangle the very people we want to save by reducing the means for providing them with the infrastructure that they need, education for their children, health for them and the food that the hungry deserve by saying that we take off Kshs6 billion from the Budget. I know Mr. Okemo tried to create a situation we can ring-fence. However, once you reduce it, there is nothing to ring-fence. Once it is out and it is with the people, you cannot ring-fence it. You actually need to tax it and get it, and then we can ring-fence it by saying that of the total amount we are getting, we will be using it on specific sectors.

In fact, I would like to urge this House that perhaps this Motion should have been that we should be increasing the taxes we are collecting on fuel to insulate the health sector, provide better roads, expand our road network and inject more money into our education so that we have better educated Kenyans whom we can supply to the world to bring in more revenue.

Mr. Temporary Deputy Speaker, Sir, I cannot belabour this point further but I would like to urge this House to look at the reality of the situation. Let us not be persuaded by the emotions of it. We know that the spirit is good. In different circumstances, I would have said, yes, we need it now. However, at this point in time and given the state of our economy, we need every coin that we can mobilise from all sources. For now, I would like to urge this House to vote against this Motion, not because we do not agree with its spirit, but because it will be counter-productive to the intentions we

have, as a House, in terms of alleviating poverty for the Kenyan people.

With those few remarks, I beg to oppose.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion.

(Applause)

I am surprised that the Minister is going back on the NARC Manifesto. The NARC Manifesto said very clearly that we would like to reduce the tax rates and widen the tax base. The spirit of this Motion is exactly within the framework of the NARC Manifesto. It aims at reducing the tax rate and widening the tax base.

Secondly, the Minister has gone on a lecture tour on a supply-side economics of saying that *wananchi* should continue supplying the Government with more and more taxes so that the Government can turn around and spend it on the people. However, we know that we do not need this particular tax.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Prof. Anyang'-Nyong'o! I think you still have five minutes within which to organise your deliberations so that we call upon the Mover to reply. You still have five minutes! I just wanted to alert you about that.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I was saying that we do not need particularly to collect this Excise Duty here to get the money the Minister needs to finance Government expenditure. I would like to call to the Minister's attention, an article in the *Daily Nation* today by Jaindi Kiseru, which I think will answer most of the questions the Minister was concerned about. If he really wants to raise money for the long term development of infrastructure in this country, then he had better read the article by Jaindi Kiseru. You are much better off raising money through long-term bonds, house or road construction rather than by penalising the consumer in the rural areas by letting that consumer pay this painful tax for a commodity he depends on.

We know that the policy of the NARC Government when it took over was that we should improve the environment, and that Kenyans should rely less on wood fuel and more on other forms of fuel, especially, liquified petroleum gas (LPG). We know that in Senegal, LPG is cheaper than kerosene yet Senegal is not richer than Kenya. The reason why the Senegalese have reduced the price of LPG is because it is a much more user-friendly energy source for domestic consumption.

(Applause)

Mr. Temporary Deputy Speaker, Sir, the spirit of this Motion should be understood by the Government; that we **[Prof. Anyang'-Nyong'o]** should move towards making kerosene much cheaper and LPG cheaper than kerosene so that we do not use our forests for fuel. The forest cover in this country is less than 1 per cent. This is a crisis of monumental proportions.

My former Minister for Water and Irrigations says that it is 1.7 per cent. In fact, I think she was better off in the Ministry of Water and Irrigation. She is being wasted now. She was doing a good job for this country. That is just a by the way!

I believe that the spirit of this Motion is so important that it must be passed by this House so that it sends a message to the Government that we need cheaper kerosene and LPG and the consumer should not be penalised.

Secondly, Mr. Temporary Deputy Speaker, Sir, the point that Mr. Ojode was making is very important. When you reduce tax and release money for people to buy other things, it stimulates the economy. That is a whole point! It does not mean that people are misusing money. They are spending that money to stimulate that economy. They will buy more shoes, more people will be employed in the

leather industry and shoe factories. Transportation to their rural areas will be faster and cheaper and commodities will reach the market. However, when you penalise the people by taking the tax and giving it to a Government which spends it on non-productive things like what we saw in the Supplementary Budget - I was pointing out to the Minister that you cannot find in a Budget other expenses; contingencies being 30 per cent of the total expenditure. Contingencies should only be 5 per cent or less. However, when you put this money in other expenses, it means that you are wasting the people's taxes. The people have a right, therefore, to demand that, that money be returned to them so that they can spend it more productively. The spirit of the House is not to deny him money but to ask him to look for money in the right quarters to spend it responsibly.

I believe that if we collected all the land rates and rents in this nation, the Government will get the money it needs for the kind of expenditure it was trying to get from taxing the people. I also believe that if corporate tax was efficiently collected, we would get the money we need to finance Government expenditure. At the moment there is too much avoidance of tax at the corporate level. If we ask these big banks; Barclays Bank, Standard Bank and all the big companies whether they pay the right amount of taxes in this country. My answer is, no! When we were saying in NARC that we want to widen the tax base and reduce the tax rate, we knew exactly what we were doing. However, I do not know why the Minister has decided to renege on the NARC Manifesto.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Prof. Anyang'-Nyong'o! Your time is up! I will, therefore, call upon the Mover to reply.

Mr. Ojode: Mr. Temporary Deputy Speaker, Sir, I will donate two minutes to Mr. Angwenyi, two minutes to hon. Twaha, and another two minutes to hon. Syongo. I will then take up the issue from there.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir. We should support this Motion. The Government said that it is controlling corruption. From the Anglo Leasing scandal alone, the Government saved Kshs31 billion. If the Government puts more effort, it can recover Kshs138 billion, which was swindled through the Goldenberg scam. That is a lot of money that we can give our people by reducing taxation. I am surprised that the Minister for Finance is not talking about any dividends as a result of managing corruption. The Government wants to support cartels in form of multinational companies. The companies have made it impossible for indigenous Kenyans to get into the oil market. In fact, they are syphoning a lot of money from this country. They are impoverishing this country.

As you know, 46 per cent of the pump prices of petroleum oil is taxation, while 28 per cent is meant to give profits to multinational companies. Why can we not take the money and give it to Kenyans? Does the Minister believe that those people who trek from Kibera to look for jobs in industrial area have money and they choose to trek? They trek because they have no money. These people have to go into the forest in Kibera to fetch firewood so that they can cook food. We must give those people affordable kerosene so that when they trek from work, they can cook their food easily. If we do not do that, we will be unhealthy and that will cost us a lot of money in hospitals.

The Government should avoid listening to the IMF and World Bank as it did in 1994 and liberalised our economic structures. We exposed ourselves and came under their control.

With those few remarks I support.

Mr. Twaha: Mr. Temporary Deputy Speaker, Sir, I want to thank hon. Ojode for giving me two minutes of his time. The truth of the matter is that the whole world is faced with inflation. This week, oil prices went up drastically. The price of oil went up to 73 dollars per barrel. Gold is now at 850 dollars, and has never reached that level before. The cause of inflation is not just because of the voracious appetite of China for raw materials and other things. It is not even because of its ambitions. The problem is that America is printing a lot of money to finance a war which is not necessary. I would like the Minister, when he goes to Paris, Washington and other places not to be too defensive.

As a member of World Bank and IMF, Kenya should also register its disapproval of the irresponsible fiscal and monetary policies of the United States of America, which is destabilising the entire world economy. We are paying the price for that. The inflation is catching up with us and the dollar has lost half its value in the past two years. Even if the Kenya shilling was to appreciate by 5 to 10 per cent against the dollar, we would still end up being worse off. I would like to urge that we support this Motion.

If the Minister has any programmes to finance, he should join the trend so that if America is printing money to pay for its wars, Kenya might as well print money to finance its programmes since inflation will catch up with us whether we like it or not. We might be having fiscal and monetary restraints because whatever America does, affects our financial stability.

Mr. Syongo: Mr. Temporary Deputy Speaker, Sir, I support this Bill because if passed, it will improve the cost of living and the cost of doing business. Currently, one of the greatest challenges this economy has is lack of competitiveness. Competitiveness could be improved if we improved the cost of fuel. The rate of inflation is also related to the cost of fuel. For that reason, I would like the Minister to look at this issue in broad terms. He needs to come up with a policy that we can embrace.

The second point we need to think about is the cost of fuel, particularly because of afforestation. Desertification in this country is a reality. Rainfall patterns are unstable and we have it in less amounts over the years because of serious degradation of our environment. That can be reversed if we review the pressure on the use of wood fuel. The reduction in use of wood fuel would slow down the degradation of our environment.

The Minister has talked about his concerns regarding laws of revenue collection. I agree that we can, indeed, broaden the tax rates. The introduction of ETRs will tremendously increase the speed and capacity of revenue collection. I would like to challenge the Ministers to use the monopolies and Restrictive Practices Act to tame oil producers. That is an Act of Parliament which is completely ignored, yet it could be used for taming and equalising revenue between Government, consumers and distributors as far as fuel prices are concerned.

Finally, we must intensify exploration of oil as well as coal. Recently, we were told that there is a substantial amount of coal in Mwingi. Those are some of the things we should take seriously.

I support.

Mr. Ojode: Thank you, Mr. Temporary Deputy Speaker, Sir. I will start by thanking all hon. Members who contributed and supported this Motion. I heard the reply from the Minister for Finance, when he said that we have a deficit. However, I want to ask him through the Chair; the Kenya Government zero-rated Excise Duty on big engine vehicles that have a capacity of over 2000 cc; what was the purpose? The Government is trying to assist multinationals to make money. When the Government zero-rated LPG products, what was the use of that? Why did the Government not zero-rate paraffin instead?

The deficit we are talking about is as a result of the Anglo Leasing scam, where Kshs54 billion was misappropriated. The Government is still servicing loans of Anglo Leasing. The Minister knows it. As we speak, in his constituency, there is no forest cover. In fact, that will give him many problems on the ground. The Minister also knows that the Kenyan Government is doing nothing to plant trees. If he can stand on the Floor of this House and say that it is not possible for the Government to implement this Motion, it will be very bad. I feel sorry for my friend who is the Minister for Finance. You are also aware that if the oil prices are high then the whole country is damaged. When we talk of reducing Excise Duty on paraffin, what we are in essence doing is to release pressure on the consumer.

I urge my colleagues to vote for this Motion. The way I am seeing things, I will be forced to bring a Motion that will re-introduce price control on petroleum products. I will bring it here before the House. We will control the price of oil products.

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

(Question put and negatived)

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

The Temporary Deputy Speaker (Mr. Khamasi): Please, keep standing. Could the Clerk-at-the-Table, count the hon. Members standing?

I am sorry that the number required for a Division has not been reached.

*(Several Members withdrew
from the Chamber)*

Order, hon. Members! Those who want to take leave can do so without necessarily disrupting the business of the House. Hon. G.G. Kariuki is on the Floor and wants to move his Motion. We would like to have some peace in the House.

ESTABLISHMENT OF SELECT COMMITTEE
TO REPORT ON PERFORMANCE OF
ANTI-CORRUPTION INSTITUTIONS

Mr. G.G. Kariuki: Mr. Temporary Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, noting with concern the misappropriation of funds and the endemic corruption that has pervaded both the public and the private sector; in view of the commitment of the Government to curb this vice; and considering that a number of agencies have been put in place to investigate and collate evidence on the rampant misuse of public resources; this House resolves to establish a Select Committee to report on the performance and output of the anti-corruption institutions and make such recommendations as will be necessary to facilitate zero tolerance for corruption and related economic crimes; and that the following be appointed Members of the Committee:-

The Chair, PAC

The Chair, PIC

The Hon. Capt. Davies Nakitare, MP

The Hon. Dr. Sammy Rutto, MP

The Hon. Daniel Khamasi, MP

The Hon. Prof. Ruth Oniang'o, MP

The Hon. G.G. Kariuki, E.G.H., MP

The Hon. Jayne Kihara, MP

The Hon. Omingo Magara, MP

The Hon. Gonzi Rai, MP

The Hon. Dr. Abdalla Ali, MP

The Hon. Zaddock Syongoh, MP

The Hon. Ochola Ogur, MP

The Hon. Nyiva Mwendwa, MP

The Hon. Katoo ole Metito, MP

Mr. Temporary Deputy Speaker, Sir, a few months ago, I attempted to move this Motion in

this House, but I did not succeed. I moved this Motion with convinced principles that we, as Parliament, must give the citizens of this country what is due to them. What is due to the citizens of this country is when we decide that we shall perform a certain duty on behalf of Kenyans, for example, striving to eradicate corruption activities.

We have to be concerned that whatever we have passed is effectively being implemented. I am not standing here to question the institutions that have already been established, nor am I questioning the Ministry of Justice and Constitutional Affairs. What I am concerned with is whether Parliament can give itself authority to go into the deeper end of the war against corruption and to find out whether we are really performing or not. This proposed Committee is not meant to be a Departmental Committee of Parliament, rather it will be an *ad hoc* Committee that will be charged with the responsibility of investigating this matter and reporting to this House.

The proposed Committee will be required to recommend whether PIC, PAC or any other body that I will mention need some teeth to bite. It will also point out the problems that hinder them from working effectively. The bodies which are now charged with the responsibility of dealing with anti-corruption activities in Kenya are for example, Kenya Anti-Corruption Commission (KACC); the Kenya Police; Parliament, which is given powers by the Constitution under Section 57 to appoint any Committee that it deems fit to work for the good of the nation; PAC; PIC; Kenya National Audit Office (KNAO), and the Kenya National Commission on Human Rights (KNCHR) which is set up by an Act of Parliament. The others are the Efficiency Monitoring Unit (EMU) and the Department of Governance and Ethics, which was headed by Mr. Githongo.

Mr. Temporary Deputy Speaker, Sir, what all these bodies are lacking is implementation and a way to know where their respective problems emanate from. I know that the Minister might talk about duplication and interference of responsibilities. However, it is high time we all understood what a national call is. I think the Minister will be too happy if we fail to have this Committee given enough power and supervision to make sure that they have teeth to bite.

Mr. Temporary Deputy Speaker, Sir, we established the Kenya Anti-Corruption Commission (KACC) in this Parliament and it has been in operation for three years. Although they are required to be reporting their activities to this House, they do not do so. If they do so, they will be perceived to be rebels by the Ministry of Justice and Constitutional Affairs. The time has come for people who are charged with a responsibility like this one to come out because they are there for Kenyans and not the Minister or the Government.

One is given a constitutional office in order to discharge his duties without fear or favour. It appears as if we still have the colonial mentality. We find that one is holding a constitutional office and, yet he still kneels down to some people in this country without giving Kenyans the service that they are supposed to get.

Mr. Temporary Deputy Speaker, Sir, if the Committee is appointed in this House and it talks to the KACC, it will come up with some ideas and they will be told what problems the KACC is experiencing. The Kenya Police and the PAC will definitely say the same. My concern here is to empower these bodies and find out what problems they experience that are preventing them from performing. This Motion is seeking that we establish a Committee of this House to interview people who are in those bodies and ask them what they want Parliament to do for them to enable them to perform.

If we find someone trying to force that kind of message, there could be something wrong. I have been a very senior Minister in the Government and I know this. Our attitude has been that we do not entertain Members of Parliament in our departments. That used to happen in the old days; maybe they do today. I am sure they are all sensitive when they hear that an hon. Member of Parliament is trying to understand how their work is done. They are very happy when they come here as Ministers to get what they need from Members of Parliament. When Members of Parliament ask them what they

have done this is perceived as an interference.

Mr. Temporary Deputy Speaker, Sir, the time has come when we should all change our attitudes. This country has given us power. We are discharging duties in this Parliament on behalf of the public. In other words, it is an institution of the common man. The common man has done his selection. They have elected us to be speaking for them without fear or favour. I have raised issues in several other forums about Members of Parliament who think that they do not have the power. There is no need for people to talk about interference by the police when we have the power to pass laws and say the following must stop. We have formed the habit of making political statements out there, when we know for sure that we have the power to deal with any situation.

Our biggest problem with this dispensation is that Parliament never had an implementing committee. If we had an implementation committee, we would be implementing each Bill we pass here and make sure that this is being done effectively. We just pass laws and give them to Ministers who are not interested. Maybe, they were defeated in the House. How do you expect them to implement? It could be their feeling that Motion may not have been good.

Mr. Temporary Deputy Speaker, Sir, I want Members of Parliament to understand clearly that we are not finding a way of getting Members of Parliament to have a new Departmental Committee. It is an *ad hoc* Committee which is meant to carry out investigations only.

I would like to appeal to hon. Members to try and understand the intention, content, perception and ideas I had in mind when bringing this Motion. I have been in this Parliament for quite a number of years, but I think we need to move away from the normal way of looking at business. For example, the Government and the people of Kenya are in total agreement that we must fight corruption to the end. But the biggest question here is this: Are we just talking about it or are we fighting it? I agree that the Government has taken some action, but this action is mainly on paper. It is not that the Government does not have power. It simply lacks the will. We want to push the Government to make sure that it also agrees that this vice must come to an end.

I know most countries have this problem of corruption, but we cannot wait to see the institutions which are in place to fight corruption not doing the right thing. We have other commissions. It is embarrassing when we talk to individual members of these commissions. They tell us that they have no power to prosecute. We are not asking KACC to start prosecuting outside the Attorney-General's Chambers. However, this Committee needs to understand the problem existing between the KACC and the Attorney-General. It appears the job of KACC is only to make recommendations to the Attorney-General.

Mr. Temporary Deputy Speaker, Sir, I have been told that an investigation officer from KACC is paid almost 1,000 times more than a prosecutor in the Attorney-General's Chambers. We want to bring these disparities to an end. We cannot have an officer of the Government doing a similar job, but is getting a salary ten times more, while another who is prosecuting is getting less. There is a lot that we need to investigate. KACC members might come to MPs and tell them privately that there is a problem with the Attorney-General's Chambers, but, officially, they have to go through the Ministry of Justice and Constitutional Affairs.

Most civil servants in this country normally address a Minister as if they are talking to a semi-god. They would rather avoid giving suggestions because they might experience problems later. We want these officers to know that they are not there for Minister or MPs, but for this nation.

Mr. Temporary Deputy Speaker, Sir, I think the Attorney-General's Chambers has a lot of work to do. It is high time that we created new courts. The Government is now coming up with some amendments to amend the existing KACC laws to give it power. My concern here is that these officers are the same ones recommending an additional law to give them power.

[The Temporary Deputy Speaker]

(Mr. Khamasi) left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, let Parliament decide what kind of power those people require to discharge their duties. Unless all the bodies dealing with corruption are streamlined and given what they require--- In that case, we have no quarrel with the Minister herself. She is a new Minister in that Ministry. She was not in charge when the Kenya Anti-Corruption Commission (KACC) was commissioned. But we expect her to listen to our voices. We should be given authority by this House to have a Committee. This Parliament will assist her to perform her duties in that Ministry. Time has come for Parliament to appear like a Parliament. This Ninth Parliament has become the Parliament of the people. But it is so unpopular with the public because of the activities which are said to be done here. This Parliament does not depend on hand-outs from the Executive. Other Parliaments, of which I was a member, went through many problems. Even when you wanted to buy a car, you had to go through State House and other places to be given hand-outs. Although this Parliament is unpopular, it can do a lot for the people. This Parliament has no limit. Its job is to formulate laws and make sure that they are implemented properly. It is our duty.

Therefore, I want hon. Members to listen to the argument that I have put forward and the argument that the Minister will put forward and find out where the Minister is directing us to. Find out what is the difference between her observations and what I am asking you to pass.

Mr. Temporary Deputy Speaker, Sir, I had a problem with the selection of Members of this Committee. I would like Parliament to know that the names were selected according to political parties. I did not sit somewhere and list the names. I had to subject the names to leaders of political parties. So, the statement I am making is for those who are not members of this Committee. They should not feel that I have ulterior motives. My motive is to see a Committee appointed and selected by this Parliament to go and interview people and report back. We are not interested in who took what. We are not interested in whether Githongo did right or wrong. We want to find out whether institutions that are fighting corruption have the capability. If they have a problem or a bottle-neck, they should come out and tell this House. If there is an amendment of the law, I think the Minister would benefit a lot. The Committee will stick to institutions which are dealing with corruption.

I think I have explained enough. We need to give a chance to my Seconder, Mr. Syongo. With those few remarks, I beg to move.

Mr. Syongo: Mr. Temporary Deputy Speaker, Sir, first of all, I want to take this opportunity to thank Mr. G.G. Kariuki for bringing this Motion. Parliament did its work by setting up several institutions to fight corruption. We have agreed as a nation and society that corruption is a vice which is depriving millions of our people the development momentum that they need to change their lifestyles. Any doctor would confirm that, if a treatment regime is not working, then the doctor is professionally bound to review that treatment regime in order to find out why the treatment he is giving to his patients is not working. Parliament, in its wisdom, set up several institutions and a legal framework. Every single year, it sets aside substantial amounts of money to facilitate those institutions to fight corruption. Since this Government came to power, and since the enhanced capacity and energy to fight corruption was set in motion at the beginning of the term, what is the result of the effort to fight corruption? The Minister for Justice and Constitutional Affairs is here. She can give us statistics of corruption cases which have been successfully prosecuted. If you compare the amount of resources that Parliament has made available for all the institutions involved in fighting corruption and the number of successful cases prosecuted in respect to corruption, it is a total embarrassment! It is completely dismal! You cannot justify the institutions that are in place, the legal framework and the

resources that are made available to fight corruption.

Mr. Temporary Deputy Speaker, Sir, the other day, the Leader of the Official Opposition presented, on behalf of the Public Accounts Committee (PAC), a special Report on Anglo Leasing related projects. If you look at the kind of money that has been lost and, more sadly, the fact that the corruption process is still on-going, it is a second clear proof that those institutions are not working. The mechanism that Parliament put in place to fight corruption is not working.

I agree with the Mover of this Motion that time has now come for Parliament, which set up all those institutions, to carry out a comprehensive review of the institutions, the legal framework, the capacity of those institutions and the processes which they use to investigate, prosecute and fight corruption. Why are they not working? We want to do that with a view to coming up with a remedial measure to give those institutions more teeth and capacity to do a job that this House mandated them to do.

Mr. Temporary Deputy Speaker, Sir, it is going to be a diagnostic exercise. I would like to encourage this House and the Minister to support this Motion. We should work together because we are representing Kenyans who are the final sufferers of corrupt practices. We want to carry out a comprehensive diagnosis and fine-tuning of the mechanisms, so that the amount of money, resources and efforts being put in will bear the necessary output.

With those few remarks, I beg to second.

(Question proposed)

Capt. Nakitare: Thank you, Mr. Temporary Deputy Speaker, Sir, for the opportunity to contribute to this Motion.

Mr. Temporary Deputy Speaker, Sir, this Motion has come at a time when this country has been left in a vacuum. I support the Motion on the following grounds. In the recent past, this Parliament has created committees and commissions to deal with corruption, but there have not been any checks and balances. The Ndung'u Land Report has not been implemented, for instance. By passing this Motion, we shall have a Committee that will keep the Government on its toes.

Mr. Temporary Deputy Speaker, Sir, it is embarrassing that very many reports are never implemented. The reports of the Controller and Auditor-General which expose financial malpractice in Government are read on the Floor of this House and never implemented. We have been silent for too long, and that is why the Government stands accused for not rendering services to its people. Do we have to pass laws and rules only to see them taken to the museums? Do we have to go back to the museums to look for the various issues that were discussed at the Kiliku Tribal Clashes Committee, Ndung'u Land Commission, Chesoni Commission and so on? There must be a monitoring unit that will keep the Government on its toes. This Select Committee should be given powers to sharpen the teeth for the Government to implement what Parliament has passed.

Mr. Temporary Deputy Speaker, Sir, the Mover of the Motion has enumerated most of the corruption-related issues that the Government has not addressed. As hon. Members of the House, we are legislators. We come here to legislate, but only for the legislation to go to the archives. This is a very serious issue and we need to give power to Parliament through such committees.

Mr. Temporary Deputy Speaker, Sir, looking at the proposed list of Members of this Select Committee, they are people of integrity and have a vision for this country. I know that they will work without fear or favour and will tackle issues that the KACC will have faced. If you remove the fangs from a big snake, it will not be poisonous anymore. If this Parliament has no teeth to bite, we have no reason to come here and draw huge salaries. We come here to make sure that things are going on well. We should have the right to call upon any Minister who will have failed in his duties. We will be

investigating issues and bringing reports here for recommendation for further action.

Mr. Temporary Deputy Speaker, Sir, Kenya is not different from other countries that have watchdog committees. I know we have forces that are opposed to the development of our country. We have been undermined because we do not have checks and balances. We are going forward without looking back. We are passing Bills without following them. So, this is the right time for all our Members to have a prefect in this House. We need to have a cane in this House that will make the Government fear and make civil servants upright.

Why do we keep on calling ourselves corrupt? In corruption, there is always a giver and a receiver. I think Kenyans alone are not corrupt, but outsiders come and corrupt us. They think that since Kenyans are poor, you can buy them cheaply. These are the things that Parliament needs to look into. When people come to invest in this country, we give them the green light to do so. However, we have to know that such people do not have any strings attached to that investment. Therefore, this is the only Committee which, once formed, will penetrate all other Committees, Ministries, commissions and even individuals, to make this country alert. We should not wait for people to demonstrate in the streets so that we understand that Kenya has a problem. Why do hon. Members not demonstrate here even if they are not happy with the receipts they get from here? I have never seen a Member of Parliament demonstrate here. Why should we let our people sacrifice their lives by running into the streets? That is because they have lost the power to reason. If you lose the power to reason, you turn to violence. So, we have to find a way in which Parliament will act.

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

Mr. Kipchumba: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Hon. Members will recall that the same Motion was in this House some time last year. The Motion was rejected by this House. It has come back, probably, with a change of the names of the proposed membership. We have now been told that the names proposed in this Motion are of people of integrity. I am not sure whether the rest of the Members of this House have no integrity at all.

Mr. Temporary Deputy Speaker, Sir, already, Parliament has two watchdog Committees, namely, the Public Accounts Committee (PAC), and the Public Investments Committee (PIC), for which you are the Chairman. This House must deviate from running away from responsibility. If we, indeed, want to do more work for these Committees, we should amend the Standing Orders so that either the PAC or the PIC can be given more powers, if they so desire. However, to say that we want to establish another Committee is not proper. I would want to be convinced by more reasons other than those that have been given.

The Kenya Anti-Corruption Commission (KACC) makes a report on the corruption situation in the country on a quarterly basis. That report is made available to Parliament, as provided for in the Commission's enabling Act. However, when that report comes to this House, very few hon. Members care to look at it. The KACC could have its own shortcomings, just like any other institution. We mentioned here before that we gave the KACC power to investigate corruption cases, but we did not give it power to prosecute because doing so would be contravening the Constitution. However, we are not saying that some of these institutions have failed. I would wish to be told that they have failed because of specific reasons. I do not also think that we lack information. We have information on the Kenya Anti-Corruption Commission (KACC). We also have information on the shortcomings that are in the Public Accounts Committee (PAC).

Mr. Temporary Deputy Speaker, Sir, you know very well that we have made proposals in the past to amend the Standing Orders, so that the watchdog Committees can be given more powers. The Committees have been frustrated. They have not been able to move on because the Standing Orders Committee has not made the necessary provisions. I think we do not want to create more work for the hon. Members. In fact, most of the hon. Members are overwhelmed by the amount of work that they

have in the various Committees. To say that we want more work when we cannot even perform in the few Committees that we have, is, in fact, to deceive ourselves.

We have spent a lot of money in fighting corruption. We have the police, Parliament and the KACC. We also have another commission that is headed by some church people, whom I do not know what they do. We are spending a lot of money on these institutions. If we want to give power to people to fight corruption, we should legislate. We should make the Act that governs the KACC more stronger. Parliament has power to legislate. If, indeed, you feel that the KACC is not performing as you deem it should, you should amend the Act that governs it. That is the job of this Parliament. We are running away from our responsibilities. We want to duplicate roles. I do not know whether we want to do the job of the Executive. I do not know whether Parliament wants to do the job of KACC or the police. We cannot do this.

Mr. Temporary Deputy Speaker, Sir, the PAC has produced voluminous reports, which only require implementation. The problem in this country is not lack of information. It is not that Kenyans do not know where there is corruption. Our problem is the implementation of the reports. You are aware that we cannot control the courts. Courts are run by a totally different department, namely, the Judiciary.

Even when the police has investigated and brought information for prosecution, the courts may rule otherwise. If we are frustrated, we are not frustrated by lack of information. We could be frustrated by the fact that our courts are not running as they should or because certain personalities in the institutions that we have established are not doing their job, so that whenever somebody fails in an institution, we create another one. Finally, we will be having around 20 institutions that are doing the same thing.

Therefore, it is time that Parliament becomes serious. If, indeed, the KACC brings its reports to this House, the relevant Committee of this House must look at them. The relevant Committee is the Committee on Administration of Justice and Legal Affairs. This Committee should advise us as to whether the reports that have been brought to this House by the KACC are adequate and fair. If you ask many hon. Members whether they have read the reports that have been brought by the KACC, you will realise that they might not even have seen them. We created the KACC to report to Parliament. We have our own institutions, namely, the PAC and PIC. Now we want to create another committee to be in charge of the PAC, the PIC and probably the KACC.

Mr. Syongo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to mislead this House? The proposed Committee is intended for very specific functions. It is supposed to purely diagnose why the institutions are not working. It is not intended to superintend the PAC or the PIC.

The Temporary Deputy Speaker (Mr. Muturi): That sounds like a point of information.

Mr. Kipchumba: Mr. Temporary Deputy Speaker, Sir, he should have sought my permission because that is a point of information. However, that is not even correct information.

Mr. Temporary Deputy Speaker, Sir, I have said very clearly that Kenyans know why the fight against corruption has not been won. This is common knowledge. Therefore, to create another institution to do that job is, indeed, a duplication. I do not know whether these hon. Members do not want some extra allowance. We should, as an institution, be looking at ways of reducing expenditure in this country. However, when hon. Members want to get some little allowance and run to create some committee, which will in effect produce nil work, it is sad. Like I said before, the Committees that we have---

Mr. G.G. Kariuki: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to insinuate that hon. Members are organising committees so that they can earn more money?

The Temporary Deputy Speaker (Mr. Muturi): That is his opinion.

Mr. Kipchumba: Mr. Temporary Deputy Speaker, Sir, I am sure that you and I know that for every sitting of a Committee, hon. Members get Kshs5,000. That is a fact. In fact, some of these meetings last for only ten minutes and people run out because they will get their Kshs5,000. It is a shame that we cannot even produce the much needed work that we have been given by Parliament. This is common knowledge. With those few remarks, I beg to oppose the Motion.

ADJOURNMENT

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

The House rose at 12.30 p.m.