

VOL. 2
No. 4

Tuesday
11th September, 2007



FEDERAL REPUBLIC OF NIGERIA

NATIONAL ASSEMBLY DEBATES

**FOURTH REPUBLIC
THIRD ASSEMBLY
FIRST SESSION**

HOUSE OF REPRESENTATIVES OFFICIAL REPORT

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National Assembly,
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Abuja.*

PUBLISHER: National Assembly

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HOUSE OF REPRESENTATIVES

FEDERAL REPUBLIC OF NIGERIA

Tuesday, 11th September, 2007

The House met at 10.50 a.m.

PRAYERS

(The Speaker in the Chair)

VOTES AND PROCEEDINGS

The Speaker: Hon. Members, I have examined and approved the Votes and Proceedings of Thursday, 6th September, 2007.

OATHS

The Speaker: Any Member-elect who has not been sworn in may, please, come forward for the administration of Oath. *(No response)*.

ANNOUNCEMENTS

Notice of Meeting of the Committee on Appropriation

The Speaker: Please, listen to the following announcements. They are notices of meeting from Committee Chairmen. The first one is from the Committee on Appropriation and it reads as follows:

*House of Representatives,
Committee on Appropriation,
National Assembly Complex,
Abuja.*

This is to inform Members of the Committee on Appropriation that its meeting has been slated to hold today, Tuesday, 11th September, 2007 in Committee Room 16, House of Representatives, National Assembly Complex, at 2.00 p.m. prompt. This announcement supersedes the earlier notice.

You are enjoined to be in attendance, please.

*Announcer,
Hon. Festus Adegoke,
(Chairman)*

Inaugural Meeting of the Committee on Pensions

There will be an inaugural meeting of hon. Members of the House Committee on Pensions today, Tuesday, 11th September, 2007 at 2.00 p.m. in House Committee Room 8. All hon. Members of the Committee are pleased requested to attend punctually.

*Hon. Ademola Adeseun
(Chairman)*

PRESENTATION OF PUBLIC PETITIONS

The Speaker: Hon. Members who have petitions to present to the House may please rise to do so.

Non-payment of arrears of Pension and Gratuity

Hon. Olugbenga Onigbogi (Atakumosa East/West): Madam Speaker, I have a petition from the Joint Action Committee for Pensioners of the Federal Ministry of Health Parastatals. The Committee is protesting the non-payment of arrears of pension and gratuity to its members.

The Committee is praying the House to investigate the plight of these pensioners with a view to ensuring the payment of arrears of pension and gratuity to its members without further delay.

May I please lay the petition on the Table?

The Speaker: Yes, you may do so, please.

(Petition laid)

The Speaker: The petition is referred to the House Committee on Public Petitions.

ORDERS OF THE DAY

BILLS

A Bill for an Act to Amend the 2007 Appropriation Act and Parts B, C, and D of the Schedule Thereto, 2007 – *Second Reading (1st Allotted Day)*

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The Speaker: The First Order of the Day is commencement of debate on the General Principles of a Bill for an Act to amend the 2007 Appropriation Act and Parts B, C and D of the Schedule Thereto, 2007.

Today is the First Allotted day. I now invite the House Leader, Hon. Tunde Akogun, to move that the Bill be now read the Second Time.

Hon. Tunde Akogun (Akoko Edo): The Rt. Hon. Speaker, I hereby move that a Bill for an Act to Amend the 2007 Appropriation Act and Parts B, C and D of the Schedule Thereto, 2007 be read the Second Time.

I so move.

Hon. Baba Shehu Agaie (Agaie/Lapai): Madam Speaker, I wish to second the Motion, as moved by the House Leader.

Order for Second Reading.

The Speaker: Hon. Members, before the commencement of the debate, any Member that would like to contribute to the debate should kindly forward his or her name to the Rules and Business Committee Chairman so that he or she can have his or her voice heard.

Hon. Tunde Akogun: Hon. Speaker, this Bill is basically aimed at the virement of certain Heads of the expenditure for the benefit of servicing the Federation for the remaining quarter of the year due to the challenges arising from unbudgeted needs.

It is in keeping with the provision of the Appropriation Act that in the event that the need arises to vire amount within the Heads of expenditure to which sums have been appropriated under the Act, such virement shall only be effected with prior approval of the National Assembly.

This Bill, therefore, responds to the Government's dilemma of accommodating its agreement with Labour against the backing of its near ₦570 billion budget deficit for the year ending December 2007.

The adjustments of the budget are principally in the areas of Capital Projects Overhead costs and Debt Servicing. In struggling to contain budget Overheads with such policy as monetisation, it is noted that Overheads keep rising. However, adjustments are

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sought to be made in this area, particularly as it concerns non-essential services for virement. Agencies like INEC, NYSC, National Assembly, Prisons and such likes, for instance, are unaffected by these necessary adjustments.

The other area expected to yield unutilised fund is from Debt Service for the past three years, because all monies budgeted for Debt Servicing have not been totally spent owing substantially to the restructuring of our entire debt profile. It is therefore expected that funds saved from this restructuring would be vired to current priority area. Perhaps, the most contentious area of this virement is in Capital projects. It should be quickly observed that for the past five years, no budget has been utilised up to 50 per cent.

In a similar vein, not up to 20 per cent of Capital Budget for the 2007 Appropriation has so far been implemented and it is unlikely that the total Capital Expenditure will meet 50 per cent before the end of the year. Since unexpended Capital Budget lapses at the end of the fiscal year, it becomes imperative that these funds be vired to immediate and compelling needs. Moreover, this adjustment is with the understanding that mission critical to ongoing projects affected by this virement would be captured in the 2008 Appropriation, thus removing any doubt of loss of projects.

This Bill, therefore, is an innovative way to fund the Budget. It shows the creativity in adjusting Government priority in expenditure while maintaining essence of the principal Appropriation Act.

I, therefore, advise hon. Colleagues to support this Bill, which seeks to amend the Appropriation Act of 2007.

Thank you.

Hon. Wale Adegoke (Egbeda/Ona-Ara): Madam Speaker, hon. Members, you will recall that sometime ago, the Ministry of Finance submitted the 2007 Appropriation (Amendment) Bill and the 2007 Supplementary Appropriation Bill. The main purpose of the Budget Review is to address the pressing Government Reform Programmes to the tune of ₦247.4 Billion.

As earlier mentioned by the Leader of the House, you will recall that sometime ago, the government made a pledge of 15 per cent Salary increase after the 2007 Budget was passed. So also was the review of

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the salaries of Political Office Holders, which also affected the severance allowances. You will also agree with me, just like what the Leader said, that in the years past, it has been very difficult for the government to be able to get 50 *per cent* implementation of Budget passed and that has created a lot of problems. By December 2006, about 48 *per cent* of the Budget passed was implemented. At mid-year 2007, it was recorded that only 19.6 *per cent* of the Budget has been implemented and you will also agree with me that in 2007, so many things happened along the line - it was an Election Year and not only that, there was this late inauguration of Ministers which along the line slowed down the process of Budget Implementation. That was what led to the government of the day now going into the issue to ensure that we do not have a situation whereby there would be roll-over every year in which Budgets are not implemented. Once we start Budget Implementation by January, by December of the same year all Projects put in place should have been implemented.

You would also remember that out of the ₦247.4 Billion that is needed, the 15 *per cent* salary increase would amount to about ₦182 Billion.

From the Amendment Bill given to us and from cross examination, we found out that we were only able to get ₦170.4 Billion which was deducted from Capital Projects, the overhead and debt service. Incidentally, there is a shortfall of about ₦12 Billion and that is being addressed under the Supplementary Budget. That was why I said that the two Bills are two in one.

Under the Supplementary Budget, there are other issues to be attended to, like the review of the salary of Political Office Holders, which requires additional ₦2.5 Billion. The Severance Payment is about ₦2.5 Billion. The Pension shortfall for 2007 is ₦6.3 Billion, INEC Litigation is ₦1 Billion, Judgment Debt is ₦1 Billion, FERMA Contractors took ₦21.6 Billion and the Military Operations stand at ₦6.5 Billion. If you add the sum together, you will have about ₦247.4 Billion.

The Government wanted to fund the above expenditure without incurring any additional deficit on the Budget and they have, therefore, resorted to looking into the Budget Approvals for the year and source the money.

The virement is informed by the present administration's posture not to implement the Budget beyond any Fiscal Year, in this case, 31st December, 2007. The question is this: under this Supplementary Budget, we have approximately ₦76 Billion and if you add it to ₦170 Billion, which has been deducted from the 2007 Amendment Bill, everything would come to a total of about ₦247.4 Billion.

So, the virement is as follows: from the Domestic Debt, we have about ₦29 Billion, the Recurrent Expenditure is ₦14.7 and the Capital Expenditure is ₦126.76 Billion. That was how the ₦170.4 Billion was deducted from the Amendment Bill. The above virement is just to form part of the provision for the salary increase of 15 *per cent*, which amounts to ₦182 Billion as mentioned before. Thus, the total money approved in the year 2007 Appropriation Act is still maintained but later re-arranged.

Hon. Members, ₦170,412,384,293.00 was meant to be Part of the Civil Service Wage Adjustment of ₦182 Billion and it is being addressed out of the ₦247.4 Billion needed.

We are, therefore, left with the shortfall of ₦76,954,724,968.00 which is provided for in the Supplementary Budget. The Supplementary Bill consists of ₦50,854,727,968.00 as Recurrent Expenditure, while ₦26,100,000,000 is the balance. It is meant to fund those items as enumerated earlier on.

Hon. Speaker, hon. Members, we could as well say that the two Bills are one except that the ₦76.9 Billion was not originally in the 2007 Appropriation Act. I believe that the Executive has thoroughly looked into the 2007 Budget and in their opinion, came up with the virement before the House, and had equally sought for the Supplementary Budget. I am of the opinion that we should review their submissions, consider and pass the Bills as a mark of support of the House for the initiative of the present government.

I so submit.

Hon. John Enoch Owan Enoch (Obubra/Etung): Madam Speaker, I speak in support of the need to review the 2007 Budget. I think that the exigencies of the time made that quite imperative. Everyone here remembers, for example, that on the eve of the swearing-in of the present administration, there was a strike overhang by the Public Servants in the

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country. One of the issues of that strike was the matter of the 15 *per cent* increase in Salaries and Wages, in which the President of our country made a promise. While looking at the various issues for review, there are quite some interesting elements. For example, there is the need to save money from Overheads, the need to save money from Debt Service, *et cetera*. I think these are significant points for which we can actually benefit in the course of the review of the 2007 Budget.

However, I think the issue about savings from the Capital Budget is an issue over which I am happy that the various Committees that are affected by the need for this review have been given copies of the Budgets as it relates to them. I say this not just for now but for tomorrow, because whatever savings we are making in order to get over the Recurrent Budget are savings that would not significantly grow our national economy.

I have raised a few of these issues directly with the Minister of Finance, including the fact that one of the high points in terms of our development is indicated by how much *percentage* our Budget is in terms of the Capital over the Recurrent.

What we are required to do now, which I greatly appreciate because of the circumstances, is to further reduce the Capital Budget, which ordinarily is supposed to grow our economy. It is good news for Civil Servants, but it is a little bit of bad news for the rest of the citizenry economically, especially if we take into consideration the fact that you have less than one *per cent* of people who are going to benefit from these increases. This is especially when you look at it again in terms of the fact that our country aspires to be among the first 20 greatest economies, and the need to grow our infrastructures and develop it is one of the critical elements.

I remember, for example, that the United Nations Development Report maintains that we are already behind and have deficit infrastructures of about four hundred billion. Therefore, I think that with our circumstances, which I admit require our having to reduce our Capital Budget, we need to look at what happens in 2008 and beyond. We need to evolve those strategies and ways as to see how we can significantly increase our Capital Budget again.

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I think that beyond this, we would also be interested in looking at those specific projects that are meant for review and which are going to suffer as a result of this requirement. I do not agree too much to the extent that it is because in the last several years we have not been able to implement our Capital Budget satisfactorily, that is why we need to vire money from there for Recurrent.

I think that this government, which is committed to implementing the Capital Budget and implementing it within a 12-calendar month period, must also be prepared to increase the capacity of even those in the Ministries, Departments and Agencies that are supposed to be implementing this Budget. This is because you will find out that there are outside delays from Due Process. The various Departments do not seem to be equipped enough even to release details and to work out the technicalities for the award of whatever projects that are in the Capital Budget.

I support this review and I call on every Member to also support it.

Hon. Mohammed Ali Ndume
(Damboa/Gwazo/Chibok): Madam Speaker, after you asked us last week to get a copy of the Supplementary Budget and examine it, I took time to go over it and I have some few general comments.

In the past eight years, we had the experience of non-implementation of Budgets and at the same time, we had a situation that when a Budget is submitted to this House, it takes a very lengthy period before it is passed. Normally, that contributes to the delay in the execution or implementation of the Budget.

Now, we have a new government and leadership in place and there is the determination to go by the Rule of Law, which includes anything that is passed in this House as an Act and signed into law. The Appropriation Act is one of them.

For this reason, I urge my Colleagues to expeditiously pass the Supplementary Budget. In the consideration of the Budget, that is to say at the Committee level, we should know that we are in a peculiar situation in this country and emphasis should be placed on certain fundamental priorities that affect the lives of Nigerians, and that is with regard to security and we all know the level to which it has deteriorated. The Health sector and our roads have

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become worrisome because they have become death traps. There is also unavailability of clean water.

Lastly, we are still dependent on our agriculture despite the fact that we rely so much on what we get from our black gold - petroleum. I think we should consider all these issues not only during this Budget, but also prepare our minds for the 2008 Budget. I understand that the Budget will soon be submitted to this honourable House for consideration.

Our Members should please put emphasis and interest on areas that directly affect the citizenry. I am glad that most of the monies for this Supplementary Budget are drawn from savings from the Budget. I want Members and particularly the Appropriation Committee to examine this critically and pay particular attention to those areas that are achievable within four months that would directly make a difference in the lives of our citizens.

With these remarks, I urge Members to please consider the passage of this Bill expeditiously so that the blame would not be on us.

Hon. Patrick Obahiagbon (Oredo): Madam Speaker, I am catalytically *ad idem*, and that is completely in agreement with hon. Members who spoke before me and who have spoken volumes, for the fact that in an increasingly dynamic and complex society and functional demands from the people, budgets that have been made may need to be reviewed. There is no doubt about that. I am equally *ad idem* with the fact that this Bill is in tandem with the declared intentions of Mr. President to be economically upbeat and to operate *stricto sensu* within the confines of the Rule of Law. I say bravo!

I just want to think aloud on an item and I would say that my constituents and, indeed, the critical mass of Nigerians are worried about. I do not mind the fact that out of the two trillions, three hundred and ninety-nine billion, two hundred and thirty-three million, nine hundred and forty-nine thousand and nine hundred and eighty-three naira, we are seeking to further appropriate some other momentary items. But I am bothered that at this stage, the sum of two hundred and ninety billion naira is due for debt servicing.

I thought we all eulogised the efforts of the former Finance Minister, Hon. Ngozi Okonjo-Iweala when she engaged in a very successful gambit in getting debt relief for this country.

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If as Mr. President said in his communication to the Speaker, dated 8th August, 2007, at paragraph 2, that: *consistent with our medium term fiscal objectives, the Appropriation (Amendment) Bill and Supplementary Appropriation Bill seek to provide additional resources to support the reform in the public service*, it goes without saying, therefore, that if this results in debt servicing as a medium term policy, then the money or monies we are still owing our international creditors still make Nigeria a predatory and provender capitalist society operating within the circle of chess board of international monopoly finance capital. Nobody is saying that the country should not fulfill its debt obligations, but because these are taxpayers' money, Nigerians want to know what we owe as at today.

My constituents have mandated me to call on the Minister of Finance to address the nation on what our debt profile is, to whom these monies are owed and how much we owe. Our debt profile cannot be in the state of internal and perpetual effluvium. We want to know; it is the business of government to be accountable to the people so that the people can graciously and happily contribute their quota to the government. The business with this government and the people is one of a *quid pro quo*. That is why Thomas Payne, the English writer, wrote a book titled: *Common Sense* and called the government a necessary evil. People know how to live in freedom, but they have decided to *immolate* themselves, to undergo self-abrogation and self-sacrifice so that government can protect them. There must be a *quid pro quo*. We do not want to hear that we have paid XYZ amount of money, but would like to know how it came about and the state of affairs.

This is the matter I wish to bring under Parliamentary focus.

Hon. Ita Solomon James Enang (Itu/Ibiono/Ibom): Madam Speaker, hon. Colleagues, I speak in support of the Appropriation (Amendment) Bill. I have seen in the details that about 25 per cent of value or project budgeted sum are being reduced from Capital to fund the Recurrent Expenditure, salaries and others. I want to please, plead that as the Appropriation and Sub-Committees on Appropriation, Water, Works and Education would be considering the Budget, they should remember that it would increase the number of abandoned projects if they do not select and reject some of the proposals of the Ministries and the Presidency. There are some of the projects that have been at the stage of award, some of them have already

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been awarded and some amount paid and the amount appropriated under the Budget are now sought to be reduced.

I want the Appropriation and Sub-Committees of Appropriation to look at such projects, some of which have been advertised, awarded and some have completed due process. Tenders have been opened on some of them and they have been appraised for award. I pray that such projects would not be affected by the reduction.

The different Committees should also examine and liaise with the Ministries to find out those projects that have not yet been given the design or published. It is only on such projects that monies can be taken away, but indeed not totally so that there would be money left in the Budget for the design of those projects to be captured in the 2008 Appropriation Bill.

Again, another matter of good interest would arise as we consider that Budget. Hon. Members are aware that some of the Members who inserted these projects in the Budget did not return to the House. I am being honest. The Constituencies expect those who succeeded them to protect those projects in the Budget for continuity and political stability. I want to ask that Members and the Committee Chairmen should take account of these so as to ensure continuity in the presentation.

I want to commend Mr. President for sending this Budget (Amendment) Bill. I think for eight or a little over eight years of democracy, this is the very first time we are having a Budget (Amendment) Bill. This is because in the previous time, what ought to be Budget (Amendment) Bills are normally brought as Supplementary Appropriation Bills, and this House has always said that you cannot seek Supplementary Appropriation when you are seeking to move money or to reduce money from a project already budgeted for. You can only come by virement or Amendment.

I want to commend Mr. President and the Ministry of Finance and, indeed, the Ministry of Justice, for doing the proper thing now, that is, coming with the Budget Amendment. I want to inform the Ministry of Finance that we did the 2007 Budget using 40 dollars per barrel as the benchmark. Oil, as at yesterday, is selling at 78 dollars per barrel. Today, it has reduced to 76 dollars per barrel. Since the year 2007 started, oil has never reduced beyond 61 dollar per barrel. On the average, we can say that for the whole 2007, the

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country is earning about 67 dollars per barrel. Therefore, there is consistently 27 dollars per barrel savings that goes into the Excess Crude Account. Therefore, it sounds unreasonable that we should seek to reduce Capital Fund in the Capital Budget to go and fund some Recurrent items when we should be applying the money in the Excess Crude Fund, that is, the Federal Government share of the Excess Crude Fund to fund this Budget.

It cannot be said and this House should not listen to any suggestions that the excess crude money is spent or has been spent or absorbed in the Budget. This is because in the law we made, under the 2007 Appropriation Act, you cannot spend that money unless it is appropriated. The Appropriation Committee should catch the Ministry of Finance, hold and squeeze them to bring out the money that is in the Excess Crude Fund so that we could use it in funding this Budget instead of reducing the money in the Capital Vote.

Again, hon. Members have brought several Motions. We have talked about roads, the Benin-Ore-Sagamu road, which is bad, and most of those Motions that have arisen on the Floor of the House have always hinged on question of Appropriation. For the Benin-Ore-Sagamu road, which is completely in a state of disrepair, I want to say that this road and other roads, upon which Members have brought Motions, are pending; they may not actually be treated because they are matters requiring Appropriations.

I want to pray that the Sponsors of these Motions should, please, approach the Appropriation Committee and the different Sub Committees so that they could include the projects in this Supplementary Appropriation if they are urgent, because without appropriation, they cannot be done. I want to plead that we approach the Appropriation Committee to include it.

Finally, I want to say that it will be unreasonable for us to say that we are reducing Capital Expenditure to go and pay salaries; no country does it. It is economic suicide. The population of workers at the Federal level in this country is about 9 *per cent*. If we have to reduce Capital Project, which touches all Nigerians, only to go and service 9 *per cent* of the population, it is unreasonable. If we are doing just that and the amount of savings from the Excess Crude is not enough, let us, while providing for workers, also provide for social service for the unemployed. We know how many people graduate each year from the

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Universities and how many get out of the NYSC without being employed. We should also provide for them because the wealth of this country belongs to all Nigerians. And as we are budgeting for the NYSC, all the graduates should be called up.

I want to also draw attention to the fact that in the Faculties of Law, as you graduate they give quota for each University. This is because of funds and the fact that the capacity of the Law Schools cannot absorb all the Law students. As we want to clear the backlog of the University graduates being called up for National Service, we should also make provision so that different Campuses of the Nigerian Law School can absorb even the backlog of all the graduates of the Faculties of Law so that we do not have Lawyers graduating without being called to the Bar.

With these remarks, I speak in support of this Appropriation.

Hon. Friday Itulah (Esan North East/South West): Madam Speaker, during the Second Reading of the Appropriation Bill, we are to confine ourselves to the General Principles and we may not go into specific items. I do not want to say, after taking a holistic look at what has been presented to us by the Executive, that I am convinced that it is in line with its financial policy, part of which is to be very prudent in its expenditure.

Madam Speaker, rather than go into criticism of what has been presented to us, I sincerely believe that we should pass this Appropriation Bill without further hesitation. This is because what the Executive has done is a reflection of their determination to be very transparent in their dealings as far as Government business is concerned. Therefore, unlike other Supplementary Bills that we had witnessed in the past, we have observed that what we have here is merely virement that the Executive is asking the National Assembly to support. Now, what we do have is a situation where while we are making amendments, we would find ourselves having additional money appropriated. In other words, where ₦3 billion was appropriated in 2007, you might even find an amendment going much more than that. But that is not the issue here.

So, the virement from some Capital projects for the purpose of paying up some arrears in Recurrent, to my mind, is an ideal thing to do instead of going outside what has earlier been appropriated. If we look

at our Rules once again, we would find that the Public Accounts Committee could possibly have asked for ratification of Expenditures that were made, but in this case that is not what is being done. We are asked to give prior approval before expenditure is made.

We deserve to commend the Executive and without further hesitation, I will appeal to my Colleagues that we pass this Supplementary Appropriation Bill without further delay.

Hon. Olugbenga Onigbogi (Atakumosa East/West): Madam Speaker, I am in total support of these two Bills, both the Amendment and the Supplementary Bills. However, we need to take a critical look at an issue.

Hon. Ita Enang did mention that most of the projects here were actually inserted by some hon. Members who are no longer around. I would rather want the Executive to give us the details of all the projects that are involved. If you look at Transportation, which has about ₦222 billion, for example, it is being reduced by close to ₦50 billion and we are still shouting that the Benin-Ore-Sagamu Expressway has problems. By the time we know the projects, I would be able to determine whether or not the projects involving the Federal Constituency which I represent is involved in this type of thing and I would know how to defend same.

The second point is that this is an indictment on the side of the Executive itself if as at June this year there is that admittance that only 19 *per cent* of the total Budget for the year has since been implemented; then we must look at the system. Where is the cause of the delay? Is it due to the award of contract or the type of contractors they are awarding the contracts to or what is the problem? The Executive should be able to do self re-examination. In a situation where we proposed a Budget of ₦772 billion for 2007, and by September we are trying to yank off ₦126 billion and we are complaining of infrastructural decay, no energy, no road, no water and all that, I think the Executive would have to look at a more efficient and optimum way of getting things done. This is in order that by the time we are talking about the 2008 Budget, we would be sure that by the grace of God, everything would be implemented to the letter.

I so submit, Madam Speaker.

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Hon. Adamu Gurai (Shira-Giade): Madam Speaker, I am in support of the Bill for an Act to amend the 2007 Appropriation and the Supplementary Bill in totality. With the aspirations of our constituents and the need for Mr. President to ensure that the aspirations and needs of Nigerians are met, I think I will support the Amendment in totality.

However, we cannot work in vacuum because I know very well that the motivation of our Civil Servants for a better input is more important than any other thing. In other words, I am talking of staff welfare. I found that Schedule C – Non-Recurrent Expenditure, and in particular the Public Service Wage Adjustment, rose from ₦8 billion with an adjustment of ₦178 billion and wondered about the criteria or percentage used in making that Appropriation.

The Speaker: Hon. Members, we have lots of our Colleagues that would like to contribute. If I may suggest, maybe, we should just allocate about three minutes to each contributor.

May I now call on Hon. Abdullahi Shuaibu to make his contributions, please.

Hon. Shuaibu Hashimu Abdullahi (Awe/Doma/Keana): Madam Speaker, on the Amendment Bill for the 2007 Appropriation, mine is not an unqualified support but a qualified support. Ordinarily, one would support this proposed Amendment in view of the fact that, as reported, the revenue accruing to the Federation has declined by 25 *per cent*; but I do not think that is sufficient reason for the Budget to be reduced so drastically, more so that as at the middle of this year, the Capital Budget has only been 38 *per cent* implemented.

Why do we have to review the Budget so significantly if the actual provision in the Capital Budget has not been implemented up to 40 *per cent* and there is no likelihood that the picture will change significantly before the end of the fiscal year? More so, the present Minister of Finance or the government is determined that there will be no expenditure spill over even on the Capital Budget beyond 31st December, 2007. What will be the major expenditure requirement for the next four months that will warrant so much reduction in some projects that may affect the lives of our people, our constituencies and the economy as a whole?

Secondly, why my support is qualified is that like Hon. Ita Enang said, it is not only unreasonable but it might be unlawful to vire money from the Capital Budget to the Recurrent Budget. It is not allowed under the financial instructions and they know this. So, we should not mix up issues simply because of a perceived problem that may not be as serious as is being portrayed.

So, in considering this Amendment, we should scrutinise it and not go the whole hog. I do not think we need to reduce the Capital Budget as much as it is being said.

Thirdly, we are being told that there are funds in the capital accounts for the 2005 and 2006 Budgets that have not been utilised by Ministries, and these are being ploughed back to the Treasury. Even though we do not have the figures, we need them to determine whether there is really a very convincing case for a reduction in the 2007 Appropriation or whether the savings from there and other savings like those from the debt service or even from the excess crude account will be sufficient to meet whatever gap that is being experienced currently. We need to carefully scrutinise both the Amendment in the 2007 Budget and the Supplementary Budget. I am not saying that we are really giving total support, because we might be addressing a problem that might not be there. It is just like the problem of trying to redenominate our currency for a problem that was, perhaps, non-existent.

This is my submission. I am not giving a total support. I agree that it should go through Second Reading. At the consideration in the House we may see whether there is any basis or whether we should allow the Budget to run to the end of the year and whatever is the adjustment should be reflected in the 2008 Budget estimate that will be presented shortly.

Hon. Labaran Y. Danbatta (Makoda/Danbatta): It is really important, maybe, to amend the Budget so that we can provide funds for the execution of the items that are listed there.

However, it is sad to note that we are reducing the capital expenditure for the benefit of our recurrent. It does not have any way really because that is where the majority of Nigerians feel the impact of government - through the capital expenditure. It is disheartening to note, for instance, a reduction of over ₦32 billion in agriculture and water resources capital budget. This is where my constituency is. I am from an agrarian

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background. My constituency is full of yearnings for agricultural expansion and also in terms of irrigation facilities and so on.

If you are reducing that capital expenditure, my constituency will be greatly affected and I think we should really look at this submission. Furthermore, I am just looking at a few items. If you look at the transportation sector, only two days ago, the Hon. Minister of Transport was on the air - on TV - and she was complaining about Yola and Gombe roads being the worst roads in the country. I tend to wonder what would happen if we further reduce the capital budget of the Transport Ministry. If we look at it really, it is good to reduce the recurrent because there are areas of wastages along the line and that is where we should emphasise to make sure that there is further reduction.

So, there is a need for proper review of all the capital estimates presented and I think the appropriate Committees should look at these submissions properly, scrutinise them and probably come up with a better arrangement that will enhance proper budgeting procedure.

So, it is my submission that inasmuch as I am in support of reduction of Recurrent, the Capital side of it should further be scrutinised by the appropriate Committees so that we will come up with a better arrangement.

Hon. Hakeem Olufemi Gbajabiamila (Surulere 1): I am in full support of the Supplementary Appropriation Bill. Let me first of all say that we need to commend the President and the Executive Arm of Government for the timeous presentation of this Bill. Hitherto what we normally face was a situation where monies had already been expended before such Bills were presented to the House merely for ratification purposes. This is a very commendable effort from the President and the Executive. It further indicates his avowed commitment to the Rule of Law and to do things properly the way they are supposed to be done.

Having said that, I have just two quick observations. First of all, I will prefer a situation which I think will be a little bit tidier, and that is to consolidate the two proposals into one Bill - the Appropriation Amendment and the Supplementary Act - which again allows for an easier understanding and a neater way of presenting it, rather than confusing and muddling things up.

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Secondly, the other observation will be in the area of the domestic debt. I am at a loss as to why ₦29 billion will be removed from the domestic debt. We have made so much hue and cry on the issue of our foreign debt and how we have been able to satisfy our foreign debt. It is very difficult to understand why we would look outside to satisfy the debt owed to foreign countries and organisations. Meanwhile, inwards, we still owe domestically.

I am not an Economist, but I do appreciate and understand the fact that with domestic debts come certain implications from inflation and other economic problems that may arise. I believe that the Executive, for the future, will do well not to just present a Bill to this House with sub-heads and figures, talking about how they are removed from one to the other.

I think an explanatory note and a short brief as to why they are doing what they are doing for the purposes of virement will help hon. Members in understanding better. For instance, like I said, reducing the domestic debt by ₦29 billion, there might be an explanation to it. I have no idea, but on the face of it, it does not look right to me. However, with an explanatory note and possible brief to Members to further educate them on why they are doing what they are doing, would inform us better and allow us to have more robust debate and contributions.

Having said that, I think the General Principles of the Supplementary Amendment Bill are in order and I will commend the Executive and ask the House to speedily pass it so that the business of the people can move on.

Thank you.

Hon. Melaye Daniel Dino (Ijumu/Kabba-Bunu): Madam Speaker, while I appreciate the sincerity of purpose of the act and commitment of the Executive in presenting this Amendment Budget to this honourable House, I also will want to sympathise with Nigerians, fellow comrades and compatriots, on the negative concomitant effect of this drastic reduction.

I want to start by saying that it is definitely the lackadaisical approach of past Government on Budget implementation that is not only sick, but suffers from what I call a dreadful continental abnormality, that is responsible for this hardship that is being bestowed on Nigerians. I also would want to say that the Executive should look inward and see within four months the

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capital projects that are implementable for the Executive to execute that will definitely promote the social and infrastructural development of Nigeria than this outright reduction.

We must also look at the reasons why most of these capital projects are not being implemented even toward the last quarter of the year. I know that issuance of due process certificate is another fundamental problem that should be looked into. When you are put in due process matter in February, and in July or August the due process certificate of some projects have not been released, then definitely there is going to be a serious problem.

I know from my own personal research that there was a lot of over-spending of money on some sub-heads and that is what is actually responsible for the mess we found ourselves in. I want to advise very seriously that while I support the intention of the Executive in this, Nigerians must realise that reducing capital to service recurrent is a deliberate social *lacuna* on the people.

I want to suggest that the Government should implement the Budget, especially those implementable within four years, while the Executive starts on a clean slate and we would be able to calculate or view their own Budget implementation next year.

ANNOUNCEMENTS

Visit of Students of Equity Chamber (Faculty of Law) ABU, Zaria

The Speaker: Hon. Colleagues, before we go further, the following students are seated in the Gallery – the students of the Equity Chamber (Faculty of Law) of the Ahmadu Bello University, Zaria. They are here to watch the proceedings of the House of Representatives.

May I call on them to stand up for recognition?

(Students complied accordingly) (Applause)

Meeting of the House Committee on Electoral Matters

The Speaker: Hon. Members, there is another announcement. It says as follows:

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This is to inform hon. Members that there will be a meeting of the House Committee on Electoral Matters immediately after the sitting in Committee Room 20, 2nd Floor.

Thank you.

*Announcer,
Hon. Musa Sarkin Adar
Chairman.*

May I now call on the Deputy Chief Whip of the House to make his contributions, please.

Hon. Aminu Waziri Tambuwal (Tanbuwal/Kebbe): Madam Speaker, as enunciated by a number of hon. Members who spoke, the presentation of the Amendment Bill by the Executive is not unexpected for reasons that are very obvious. We do not necessarily have a new party in Government but new personalities, and one can say that we have a new leadership at the level of the Executive. It is only natural that the focus and prioritisation on issues will differ from one personality to the other. I believe that this is what this Amendment Bill is trying to achieve.

My fellow Colleagues in their contributions made mention that the Executive is taking out some money from the capital heads to finance the 15 *per cent* salaries and allowances the Federal Government promised the Nigeria Labour Congress and the Nigerian Workers in the resolution of crises in which this House and, indeed, the National Assembly played a very prominent and notable role. That may not be completely correct because when you take a look at the Amendment Bill, you will discover that about ₦14 billion is being sourced from the recurrent subhead and about the same figure of ₦14 billion is what is being applied for the purposes of paying the salaries and allowances that is due to the workers and, indeed, the judicial workers. I want to correct this impression that the Government is reducing the capital vote with the view of financing the salary increase.

Furthermore, as mentioned by one of our Colleagues, as at June 2007, the level of redemption of Budget was only 19 *per cent* and that, of course, can be said to be caused by the political activities that the various political leaders were involved in.

I, therefore, recommend that we should have, as a Government, an automated Budget implementation

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mechanism that will continue with very important task of running the Government, even when every other political leader is involved in politicking and campaigns.

On this note, I recommend that we do pass this Budget expeditiously.

Hon. Emmanuel Jime (Makurdi/Guma): Madam Speaker, I also will most humbly like to add my little weight in supporting the passage of these two money Bills as proposed. Actually, I was really going to say that I may want to pass my chance to speak on this matter because the last speaker, the Deputy Whip, Hon. Aminu Tambuwal, has actually articulated the issue in the way I had wanted to raise it. In order not to waste more time because of other people that may wish to speak, I would like to give another person chance to speak.

Hon. Lanre Adeniran Agoro (Ogbomosho North/South/Orire): Madam Speaker, the issues in the Appropriation Bill, the Amendment Act and the Supplementary Budget have been well articulated. However, I want to also adumbrate on the issue of the diversity between Recurrent and Capital Expenditure.

Just like earlier hon. Members who spoke and who gave their own opinion on this particular issue, I want to say that there is nowhere in the world where you concede Capital Expenditure for Recurrent Expenditure. However, it must be stated that we need more than 25 per cent of the appropriated fund allocated to Capital Expenditure if we have to move forward. The clamour has been in the past eight years that our infrastructures have seriously decayed. If that is the case, how do we bring them to a functional state? It is by moving the right money into the Capital Expenditure. Therefore, the Executive should be told that in the 2008 Appropriation Bill, this present National Assembly would not tolerate it. We should also make sure that adequate percentage of the fund to be appropriated in 2008 is given to capital projects.

As regards the Supplementary Budget and the allocation of ₦21.6 billion to Local Contractors, there is a Motion being sponsored by some Members on the issue of Local Debt running to the tune of ₦3 trillion. We commended the past Administration for paying off the External Debt, but what about the Domestic Debt? There is this popular saying that *charity begins at home*. Our local economy is being crippled while the external one is expanding.

I want to personally commend Mr. President for allocating that much, but we can do better. In the 2008 Appropriation Bill, I want to see an increase in percentage that would service the local debts so that our Local Contractors would have cause to smile.

On the issue of security, Mr. President made it one of his cardinal projects that security is important. We may have all the money in this world, but without security we cannot spend it. Of course, we have the money, but where is the security? The Niger Delta problem is there. It will be proper to ensure that what is allocated for security is judiciously utilised so as to make sure that there will be security of life and property.

Lastly, in order to ensure that the Executive has adequately complied with what has been passed as an Act, we have to do more to nurture the baby that we gave birth to on the Floor of this House; and that is the Committee on Legislative Compliance.

Hon. Leonard Wakkyai W. Dilkon (Kanke/Panshin/Kanam): Madam Speaker, hon. Members, I would want to support the two Bills, as proposed by the Executive, but I have two questions to ask. During the interactive session with the Minister of Finance, he told us that they would no longer carry forward any Budget that is meant for one year to another. If it is the due process that I used to know in the past, I am afraid if Mr. President will be able to implement this Budget. I am saying this because a certificate stays in the Due Process Office for three to four months. We are already in September; therefore, if we pass it, that means that the certificate will remain there. For it to succeed, he must do something about Due Process.

Secondly, in the Budget, some constituencies have about twelve boreholes while others have only two. In a situation where we are not able to execute the projects, will they carry them forward to next year? That will mean that some of us will only be here just to pass Bills for others.

The Speaker: Hon. Colleagues, before we go further, I have a little problem. Our Colleagues are already contributing on the two Bills. The one that we have before us is the Amendment Act, but if you do not mind, since everyone wants to contribute to both Bills, maybe, the second title should be read so that the two can be taken together, or we finish with the first one. This is because I have a lengthy list of people who

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would like to contribute. Already, the last contributor picked the two Bills. Do you have any solution to that?

Well, the Clerk has advised that we should continue with this first Bill. Please, I would advise that we concentrate more on amending the Act before moving over to the second Bill.

May I now call on Hon. Tsegba to make his contributions, please.

Hon Terngu Tsegba (Gboko/Tarka): Madam Speaker, I want to look at the domestic debt servicing which is one area that affects the local economy directly. These are monies that are paid to our local contractors which impact positively on our local economy. There is a proposed reduction in the domestic debt service of about ₦29 billion. Maybe later on when we are considering the passage of the Bill, we would want an explanation from the Appropriation Committee whether or not the Government has negotiated downwards on the provision of these debts before we approve of same.

However, I think that this is one area that if we are to improve on the local economy, then we must be seen to be paying our domestic debt due. Madam Speaker will recall that this is also one area that has run down most of local businessmen because some who borrowed money from banks to execute Government projects have not been paid over the last seven to ten years as the case may be. While we were doing the budget, we were very passionate about the issue of domestic debt, particularly when we paid off the foreign debts. So, this is one area in which this honourable House would want to have an explanation on.

Madam Speaker, I have also looked at the non-debt expenditure, which is part C. You will see a reduction in the overhead of ₦14.3 billion. These are the areas where there is a lot of waste by Government. You can imagine that if this Bill was not brought, this is money that would have been wasted in the course of paying overhead, stationeries and all the rest. So, I think it should be a guide for us while looking at the 2008 Appropriation Bill so that we will not load Ministries with overhead which will ultimately result in a huge waste.

I also want to look at the Capital Expenditure per se. My Colleagues have talked about it, but I still want to look at these key line Ministries and Government –

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Agriculture and Water Resources, Health, Energy and Transportation. I had the privilege to discuss with some of the implementing Agencies under the Water Resources and monies were being deducted 25 *per cent* across board irrespective of the status of the project, whether the projects are on-going or at the tenders' stage or that they have not commenced implementation at all. These are areas that we want to have details of the deduction, because at the end of the day these deductions will be attached to individual projects. This is where this honourable House has allocated Constituency Projects to its Members. If we just come here and deduct money across board on the basis of 25 *per cent*, then we may end up with projects that are abandoned and it will defeat what we want to achieve here.

We will still request that the Committee on Appropriation should provide us with details, particularly the status of each project. If a project has not been started up till this time of the year, we cannot say that we should take all of that money and allocate it to an on-going project that needs to be completed. However, as we are sitting here in our various constituencies, we have abandoned projects that were stopped because of non-release of funds to contractors and to the implementing agencies. That is one area that we would like to have details before giving our approval. It is the same for Health and Energy.

In the Energy Sector, the government has declared a State of Emergency. For example, in my State, up till today, even though we have seen tender documents from the former government, still the State is not yet hooked to the national grid. We have been hearing that for the past eight years and if there is enough money in the Energy Sector that will even be vired to another place, we think it should be deployed in our grid and for the improvement of our power generation.

It is the same for roads. Even though we are told that FERMA would be allocated ₦20 billion in the other sector, generally speaking, if we can address these Ministries we will be doing a lot of good to ourselves, so that we will not end up having more stalled projects than what we seek to achieve.

Hon Farouk Lawan (Shanono/Bagwai): Madam Speaker, I want to join my Colleagues in commending the President for taking the initiative especially to review the salaries and allowances of Public Servants in this country. The increase of 15 *per cent* is obviously a welcome development and I believe that it

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is that increase that has necessitated the presentation of an Amendment Bill to this House and to the Senate so that the 2007 Appropriation Act could be adequately amended so that we can cater for this increase on the Recurrent Expenditure that the Government intends to embark upon.

Having said that, I believe that we must handle this matter with a lot of caution. I want us to acknowledge some of the contributions made by some of our Colleagues. When I came in, Hon. Ita Enang was making contribution and there are certain fundamental issues with regard to this issue of amending the Act.

First of all, we have an unwritten understanding in this Chamber that even when we do virements, those virements should not be from Capital to Recurrent because the area that really touches the lives of Nigerians and gives quality to the infrastructural development of this country is the Capital component of the Budget rather than the Recurrent component of the Budget. If indeed there is need for this Recurrent Expenditure to be incurred, perhaps the best way to do it is via the Supplementary Appropriation Bill that the Executive has done. I would rather wish the Executive to look into the other areas of raising the amount of money that they intend to raise from the Supplementary Appropriation Bill that should come to this House rather than amending an existing Act and especially taking funds from Capital projects; some of which are on-going, some have already gone through Due Process and on some the survey and feasibility studies have already been done and these projects have the potential of impacting positively on the lives of Nigerians. I hope that the Appropriation Committee and the relevant Committees of this House that will work on this Bill should please examine these projects with a view to ensuring that we do not reduce the amount of money from the Capital component of the Budget and put it on Recurrent.

Secondly, any time we passed Budgets in the past, some of the financing areas always identified included areas like privatisation, the signature bonus and also recoveries from looted funds. I believe that in 2006 and 2007, the financing of our deficit was not done from that area. I would rather wish that the Federal Ministry of Finance looked into these areas. We know that in the last 12 months a lot of items were privatised and even though some of these privatisation programmes are being reviewed, we know that privatisations were made. Where are those privatisation proceeds? Why can we not use those privatisation proceeds to fix Supplementary Budget so

that we can address this Recurrent items rather than dipping our hands into an exiting Act of the National Assembly, that is the Capital Component and taking money.

I would expect that we should also look into other areas like the signature bonus. We have a short fall in production in the oil sector and perhaps that shortfall has affected the amount of revenue that is coming in, but if we look at it from a more realistic point of view, I believe that we should address our minds to looking into other areas that we can address this 15 *per cent* increase in the salaries. It is a very good and very laudable initiative and I commend the President for that, but I think we need to look at other areas of raising this money rather than touching the Capital component of the budget. This is because some of these projects are already on ground and, in fact, some of the money has already been paid in some of them. So, by the time you pass the Budget, you would discover that you are actually taking money from where there is no money. It is important that rather than concentrating on the Amendment of the 2007 Appropriation Act, especially taking money from Capital to Recurrent, I believe that what the Committees should focus their minds on would be to look at other areas that they can raise money so that we can use it to address the issue of Recurrent.

Hon. Adegoke Festus Adewale (Egbeda/Ona-Ara): Madam Speaker, if the Chairman had been here when I was talking about the explanation given by the Ministry, why they have to go into the 2007 Budget in order to be able to get the ₦170 billion out, he would have understood what I am about to say now. This was because I made mention of the fact that there were some bottlenecks regarding the 2007 Budget implementation, and we were made to understand that as of mid year 2007, only 19 *per cent* of the Budget had been implemented. This means that so many factors really led to that and that was because of the new policy of the new government that by the end of December 31, all pending projects should have been completed. If there is still any project to be done, it will be accommodated under the 2008 Budget, which will be submitted to the House in the next few weeks.

He also made mention of the Supplementary Budget and, while I was giving my own position, I made mention of the fact that the two Budgets were more or less two in one Budget in the sense that having taken into consideration the Amendment Bill, in the Supplementary Budget the Executive also made us to understand the fact that gone are the days when you

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bring Supplementary Budget and at the end of the day you will still be looking for money to be able to take care of the Supplementary Budget. What we have on this Supplementary Budget as at today is what we have on the ground, and if we want to have more, we can have more. However, the ₦76.9 billion has been sourced through the signature of bonus and that of the independent revenue.

The Speaker: Make your submission briefly, please.

Hon. Adegoke Festus Adewale: All right, Madam. Under signature bonus, the 2007 deficit financial framework assumed about ₦40 billion. As at May 2007 licensing round and the outstanding in a major 2006 bonus payment produced at least ₦67.5 billion. When you look at it, there is a surplus. The difference between the surplus and the deficit is about ₦28.9 billion, which should be available for additional financing. There is an Independent Revenue which is another source of generating fund and which we are going to use for Supplementary Budget.

Under the 2007 Budget, based on assumption, there is about ₦86 billion of FGN Independent Revenue. The current 2007 projection, including funds already in OAGF CBN Account, is ₦135 billion. When you look at the difference between the two, you have the surplus of ₦48 billion available as additional revenue, which is ready to be spent. It is a realistic budget, which means that we do not have to look for other sources of getting money. In the past, we used to go into the Excess Crude Account, which was illegal in the sense that it belongs to the Federation Account - the Local, State and Federal Governments. The Government of the day is not going to do anything illegal. That is why they said that they wanted a realistic Budget that would be implemented on or before the 31st of December, 2007.

Hon. Ahmed Njidda Gella (Mubi North/Mubi South): Madam Speaker, I want to lend my voice in support of this Bill, despite the fact that I am mostly affected in the sense that I come from the area where some of this money were vired from. We are the most disadvantaged zone in terms of road construction.

The last time this House has ever enjoyed its budgetary provision was in 2002 and we are all living witnesses. That year, we had about 80 per cent implementation level. Surprisingly, the level of

implementation kept on coming down day-by-day and some of us were instrumental to it.

Hon. Farouk Lawan was the Chairman, House Committee on Finance. He talked about privatisation proceeds from which we expected ₦170 million, but we never saw that money up till date. Abuse of budgetary provision has existed in this House. I want my Colleagues, especially the new Members, to be cautious in the next budgeting exercise. I am in support of this Motion, but we must be cautious.

Hon. Osagie Raphael Samson (Orhionmwon/Uhunmwode): Madam Speaker, I adopt all the submissions that have been made so far, but there are two areas which I find quite interesting and commendable on the part of the Sponsor of this Amendment Bill. The two areas have to do with the areas of pension and the fact that Mr. President said that it was meant for effective service delivery.

I want to mention that there are some other critical areas; maybe one is yet to understand what one is seeing in terms of where some sums of money are being taken for the purposes of recurrent expenditure. Such areas include transportation from which the sum of ₦49.5 billion is being removed. It is needless to mention that the Transportation Sector, whether Maritime, Aviation or Land, is quite critical to our economy as at today. I would have expected that if any virement or amendment is to be done, it would not be with a view to reducing the Capital Vote in this area. Rather, one would have expected that we invest money in this area.

The other area is the impending disaster sector that is yet to be declared an emergency area and that is the Energy Sector. Madam Speaker, you will agree with me that if you look at it critically, ₦175 million is being vired or removed from the Energy Sector *et cetera* for the purpose of servicing recurrent expenditure. I am not finding it quite funny. Still, I want to believe that this whole effort is made to ensure that the Fiscal Year 2007 is simply being anchored so that Mr. President can start on a clean slate in 2008.

I want to say very seriously that I do not expect that in any budgetary effort being made, either by way of amendment, virement or by whatever name called, the Niger Delta would not be taken into consideration. I expect that if you are removing from any Head, either under Capital or Recurrent Expenditure, the Niger Delta Development Commission whose duty it is to

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ensure that the Niger Delta area is developed as at today would be given a priority. I had looked at the Supplementary Budget and found that there was no provision for that Commission; instead, we are making provision for the military for the purpose of combating militancy. That is not quite encouraging, because those of us from the Niger Delta are not finding it funny coping with the problems of infrastructural decay that we have in our constituencies.

I want to say that as Members of the House, we did not come here to watch our budgets being approved for the Executive only for the Executive not to implement it. Some of us are seriously looking forward to when the substantive Budget will be brought to us so that we can have input for the purpose of putting infrastructures that will develop our constituencies. I think that is what we need to wait for and tackle seriously.

Against that background, I want to say that we should pass this Supplementary Budget and let Mr. President do what he has to do with it.

Thank you.

The Speaker: Thank you very much. Hon. Colleagues, I am sure all of us have really contributed to this Amendment Bill and from the look of things, we have all spoken eloquently in support of it.

May I then crave your indulgence, most especially some of our Colleagues that have their names listed for the two Bills, that we go to the second one. Before that, may I put the Question that this Bill be read the Second Time.

Question put and agreed to.

Bill read the Second Time and referred to the Committee on Appropriation.

Supplementary Appropriation Bill, 2007

A Bill for an Act to authorise the issue from the Consolidated Revenue Fund of the Federation the Total sum of ₦76,954,727,968 (Seventy-Six Billion, Nine Hundred and Fifty-Four Million, Seven Hundred and Twenty-Seven thousand, Nine Hundred and Sixty-Eight Naira) only, of which ₦50,854,727,968 (Fifty Billion, Eight Hundred and Fifty-Four Million, Seven Hundred and Twenty-Seven Thousand, Nine Hundred

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and Sixty-Eight Naira) only is for additional recurrent (Non-Debt) Expenditure while the balance of ₦26,100,000,000 (Twenty-Six Billion, One hundred Million Naira) only is for Contribution to the Development Fund for additional Capital Expenditure for the Year ending on the 31st day of December, 2007 – (Second Reading) (1st Allotted Day)

The Speaker: Hon. Members, the Second Order of the Day is the commencement of debate on the Supplementary Appropriation Bill, 2007. Today is the First Allotted Day and I invite the House Leader, Hon. Tunde Akogun, to move that the Bill be now read the Second Time.

Hon. Akogun Tunde: Madam Speaker, I move that a Bill for an Act to Authorise the issue from the Consolidated Revenue Fund of the Federation the Total sum of ₦76,954,727,968 (Seventy-Six Billion, Nine Hundred and Fifty-Four Million, Seven Hundred and Twenty-Seven thousand, Nine Hundred and Sixty-Eight Naira) only, of which ₦50,854,727,968 (Fifty Billion, Eight Hundred and Fifty-Four Million, Seven Hundred and Twenty-Seven Thousand, Nine Hundred and Sixty-Eight Naira) only is for additional recurrent (Non-Debt) Expenditure while the balance of ₦26,100,000,000 (Twenty-Six Billion, One hundred Million Naira) only is for Contribution to the Development Fund for additional Capital Expenditure for the Year ending on the 31st day of December, 2007 be read the Second Time.

Hon. Baba Shehu Agaie (Agaie/Lapai): Madam Speaker, I do second the Motion as moved.

Hon. Akogun Tunde: Madam Speaker, the Supplementary Appropriation Bill seeks to authorise the issue from the Consolidated Revenue Fund of the Federation the total sum of ₦76,954,727,968 (Seventy-Six Billion, Nine Hundred and Fifty-Four Million, Seven Hundred and Twenty-Seven thousand, Nine Hundred and Sixty-Eight Naira) for both Recurrent and Capital Expenditure for the year ending 31st December, 2007.

This Supplementary Appropriation responds to the insufficiency of funds pooled from virement of some capital projects in the Appropriation Amendment Bill, 2007 with an existing deficit of about ₦570 billion and commitment to Labour coming to the neighbourhood of ₦150 billion. The deficit finance still outweighs the sum realised from vired expenditures. This is better appreciated against the background of the trouble in the

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Niger Delta that caused a reduction in crude production by about 28 *per cent*. To cushion the effect of this, therefore, the government seeks to draw from revenues, signatures bonuses and independent revenue that have not so far been credited to the Federation Account for subsequent sharing among the three tiers of government.

This Bill is particularly targeted at cushioning the insufficiency of fund appropriated in the 2007 Budget for the public service, especially the 15 *per cent* salary increase. The Schedule to the Bill appropriately specifies the heads of expenditure of the amounts sought to be applied, and this helps to properly accentuate the need for the passage of this Bill.

Since the Bill merely seeks to authorise the issue of additional fund from the Consolidated Revenue Fund for the service of the Federation and since the amount appropriated by the Appropriation Act is insufficient, I support the quick passage of this Bill to enable the government settle down to carry out its laudable programmes.

I plead that you support this Bill.

Hon. Adegoke Festus Adewale: Madam Speaker, you will recall that in the first Amendment Bill, I made mention of the fact that the two Bills are more or less two in one. This is in the sense that from the Amendments carried out by the Executive on the Recurrent, Capital and the Debt Service, they were able to get ₦170.4 billion. In actual fact, I made mention of the fact that the government made a pronouncement some time ago about the 15 *per cent* increase in salary which amounts to ₦182 billion. It means that if we deduct ₦170 billion from ₦182 billion, you have a shortfall of ₦12 billion. The Supplementary Bill, as proposed by the Executive, is about ₦76.9 billion. Later, I will read to Members the breakdown and the source of the ₦76 billion which was realistic.

As I mentioned earlier on, the amount was obtained from two sources. The first one is the signature bonus. I have explained earlier that they were able to get from the 2007 deficit financing framework, the May 2007 licensing round and the outstanding 2006 signature bonus payments a surplus of ₦28.9 billion now available for additional financing. In other words, it is not a question of sourcing for the money; the money was there in the kitty meant to be spent before the end of the fiscal year.

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The second is from the independent revenue. I earlier mentioned that the money was deducted or was obtained from the 2007 Budget, based on assumption of the FGN Independent Revenue and the current 2007 projection, including funds already in OAGF and CBN accounts. The difference between the two gave us a surplus of ₦48 billion. When you now sum up ₦48 billion and ₦28.9 billion, you will have what we have in the Supplementary Budget of ₦76.9 billion.

Finally, you will agree with me that the government of the day is focused and determined in making sure that when a Budget is put in place, it will be implemented. It is not a question of you putting money under Capital or Recurrent and at the end of the day, you cannot implement it because the fund is not available. The Supplementary Budget that we have is realisable and I want to say that hon. Members of the House should please join the focused government to push this Supplementary Bill through. I want to quickly give the break down without taking much of your time so that we can start deliberating on it

Hon. Members, the shortfall on the Amendment Bill is ₦12,000,000.00. Others are:

Political Officer holders	-	₦2.5 billion,
Severance payment	-	₦20 billion,
2007 Pension shortfalls	-	₦6.3 billion,
Replenish Service Vote	-	₦6.5 billion,
INEC litigation	-	₦1.0 billion,
Judgment Debt	-	₦1.0 billion,
FERMA Contractor Debt	-	₦21.6 billion,
Operation Vote for the Military	-	₦4.0 billion,
ND Black Shielding	-	₦1.5 billion

National War College Permanent site - ₦1.0 billion.

If you sum it up, it will amount to ₦76.9 billion. When that is deducted from the total amount required for the Amendment and Supplementary, which was ₦247.4 billion that I mentioned earlier on, you will be

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able to get the ₦182 billion needed for the increase in salary to be expended before the end of this fiscal year.

I want to urge my Colleagues to please support the Bill and give it a speedy passage.

Hon. John Enoch Owani Enoch (Obubra/Etung): Madam Speaker, ordinarily if we were not burdened with having to review the 2007 Budget, the common expectation with the coming of the new administration would be the need for us to have a Supplementary Budget. In answer to this, we have this request for the 2007 Supplementary Budget before us.

A lot of the issues we are discussing have already been captured in terms of the contributions that we made when we talked about the 2007 Amendment Bill. For the Supplementary Budget, we have two broad areas, as presented in terms of the fund that is available. We have the additional funds in terms of Independent Revenue, as already explained by Hon. Adegoke, the Chairman of Appropriation, and the difference between the assumptions that were contained in the 2007 Budget, which is the assumed ₦86 billion required from independent sources.

So far, what has been discovered actually is that rather than the ₦86 billion, we have some additional funds arising from this, which indicated that there is a difference of about ₦48 billion. Since we are still within this fiscal year, it is important that this be made part of the expenditure for the 2007 Budget year. Outside that, we have the signature bonuses, as was assumed, in which we have a difference of about ₦28.9 billion. I think that together with what we have done before in terms of the Amendment of the 2007 Budget, if you add all of them together, it will give us what the Executive requires to be able to carry on its work by way of the Supplementary Appropriation Bill of ₦247.4 billion. In terms of the sources of revenue from which the Executive has to fund the Supplementary Budget, we agreed that the funding is available and that in order not to push it to 2008, this House should support the request for the Supplementary Budget for the Executive to carry its programmes for the year.

Hon. Matazu Abubakar Garba Shehu (Matazu/Musawa): Madam Speaker, I want to join my Colleagues to first of all commend Mr. President for being a real Due Process President, not only in name but also in action. This is because for the first time this honourable House and, indeed, the entire National Assembly has been informed that Nigeria has some

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extra funds which she needs to spend. Mr. President, knowing fully the constitutional provisions, decided to send it to his bosses, that is, the Law Makers, for approval. I want to urge this honourable House to compliment the honour done to this honourable Chamber by Mr. President by approving the Supplementary Budget.

It is true that spending more resources on recurrent rather than on capital expenditure will not augur well for the generality of Nigerians, but let us first of all look at the reasons or the rationale that made Mr. President to send the Supplementary Budget. We all know that there was a serious labour crisis by both the NLC and the Academic Staff Union of Universities before Mr. President came to power. Today, those crises have become history. We all know also that this honourable House played a key role in bringing to an end the last labour crisis. What can we do to ensure that there would be no more labour crisis throughout our stay in this honourable Chamber till 2011? Indeed, we made a promise that as Law Makers, we would do everything possible to ensure that there is no more labour crisis.

I was present when Madam Speaker made the promise to the NLC President. I was also present when she made the same promise to the Academic Staff Union of Universities. Now, we have the opportunity to fulfill that promise as Law Makers. This is because the Executive Arm of Government, as we all know, can only make the promise that if there is budgetary provision they will be able to fulfill their promise. The request has come from Mr. President in order for him to fulfill that promise made not only to the Academic Staff Union of Universities and the NLC but also to the generality of Nigerians.

It is, therefore, mandatory for us honourable Members to approve this Supplementary Budget sent by Mr. President so that he would be able to fulfill the promise of the Government to the Labour Unions by implementing the agreed and approved 15 per cent increase of the salaries of Nigeria workers.

I also want to add that as Law Makers, it is mandatory for us to ensure that total peace exists in this country because without peace we will not even be here to make any deliberations for the progress and development of Nigeria.

In conclusion, I urge every one of us to graciously approve this Supplementary Budget so that Nigerians

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will see us as true representatives and people who care for the progress and development of our dear country.

Thank you.

Hon. Ubale Jakada Kiru (Bebaji/Kiru): Madam Speaker, I wish to first of all register my support for the two Bills before this honourable House. In doing so, I would like to comment on three issues of Debt, Virement and Personal Security of citizens.

Inasmuch as the present administration under President Alhaji Umar Musa Yar'Adua has shown sufficiently well its desire to operate with optimum openness and transparency, one would like to suggest that in considering the proposed Amendments to the 2007 Appropriation Act, Members would wish to know what the Nigerian debt profile is as at today. The previous Administration had done quite a lot in trying to reduce the size of our debt burden, but I believe that both the Executive and the Legislative Arms of Government will need to work together in a cooperative manner to plan on how best we can pull this country out of debt. It is my opinion that we should not allow this country to remain a perpetual debtor. We should make conscious efforts at pulling ourselves out of the debt trap. Before we go into considering the 2008 Budget which shall be before us in the next few months, Members would need to know exactly how much Nigeria owes everybody, including the workers, the bankers, the outsiders and the insiders. I, therefore, wish to call on the Committees that would be working on the present proposals to bear this in mind.

Secondly, I want to observe that the idea of virement as contained in the 2007 Amendment Bill before us may be a good one, but as far as my constituency is concerned and, indeed, my state, we should only consider virement in the areas that we consider less important to the lives of our people. I would like to point out that some of the areas in which virements are being proposed are too important for my constituency, and suggest that virement in these areas be left out as an option. Perhaps, other options could be considered for source of funds to finance government activities. The areas being proposed include Agriculture and Water Resources, Health and Energy.

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My constituency needs more dams, boreholes and more water treatment systems and if you reduce the amount of money allocated for these infrastructures this year in favour of some other activities, I would be saying that we would have less of those facilities. My constituency also needs more hospitals and more health services equipment, and reducing money from this sector for use in other sectors would put people of my constituency in jeopardy. The same applies to the energy sector. The sub-head under Energy provides money for things that would possibly improve the lives of my people in the area of electricity and others. Indeed, it is everybody's knowledge in this country that electricity has continued to be a problem for almost every constituency in Nigeria. My State is worst hit by this problem, and for this reason I would not support the idea of virement as it affects Energy.

To this extent, I would wish to propose that the Committee that would be looking into the Amendment Bill should come up with some alternative sources of funding in various activities that government wanted to implement rather than considering the virement option especially in these areas.

Lastly, on the issue of security, I wish to observe that the protection of lives and property of citizens in this country remains the fundamental responsibility of government. Although the provision meant for the Nigerian Army is important and although there are issues raised regarding the Niger-Delta crisis, I wish to observe that my constituency and, indeed, my State have continued to cry over frequent incidences of armed robbery on our roads. In the various houses of citizens, lives were lost, properties stolen and the entire security system is almost on the verge of collapse. It is important, therefore, if government would look more seriously into this issue. What everybody in the country would wish is that a peaceful living, both in the house and on the road, becomes a reality within the confines of the present administration's tenure.

It is my hope that those issues would be given high consideration by the Committee that would be looking at the two Bills before this honourable House.

I wish to submit.

Hon. Gbenga Makanjuola (Irepodun/Oke Ero/Ekiti/Isin): Madam Speaker, hon. Colleagues, I pencilled down my name to contribute in favour of the first Bill. Notwithstanding that, I am still supporting

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the Supplementary Appropriation Bill. I want to sound a note of warning, with due respect.

In the Amendment Bill, about ₦32 billion has been taken out of the Agricultural Sector, which I feel is unfortunate. This is because if we say that we are trying to make sure that we put more money into the Agricultural Sector in order to make it alternative to oil, I do not know where we are heading by this development. I want to urge this honourable House, if possible, to return the ₦32 billion.

This is not the first time this House is passing a Supplementary Appropriation Bill. What is the essence of passing a Supplementary Appropriation Bill when at the end of the day there will not be implementation. My Colleagues can bear witness that several Supplementary Appropriation Bills had been passed on this Floor without implementation. I do not know what magic can be achieved in the few months to the expiration of this fiscal year. Inasmuch as I associate with the rationale that has been adduced towards the Supplementary Bill, I want to warn at the same time that the amount of ₦32 billion taken away from the Agricultural Budget is on the high side. Mr. President, as has been said, has chosen agriculture as one of his seven cardinal points. So, I do not think that it is proper and ideal for this huge amount to be taken away.

I so submit, Madam Speaker.

Hon. Austine Nwachukwu Ehime (Mbano/Ihitteuboma/Obowo): Madam Speaker, I would like to throw my weight behind the Supplementary Appropriation Bill. The Bill is coming from the Executive and we all know that Mr. President has a track record within the short time that he has been in the office as our Executive President.

I would like to remind this honourable House that on 29th May, 2007 when Mr. President was sworn in, and during the gala night when he was bestowed with the award of the GCFR, he did mention that, if not for protocol, he would have liked to keep the award in abeyance until after his tenure. That goes to show that this President is a President that wants to serve and not to grab. As such, I am saying, with the permission of my other Colleagues, that we should give this Bill an approval to enable him do his job.

Secondly, the NNPC Act that was brought to this House under the sponsorship of Mr. President would

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ordinarily be approved by him, using his veto power, to increase the number of Board Members to six. However, Mr. President brought the Bill to the House for us to look into it and amend the Bill.

According to Hon. Makanjuola, other Supplementary Bills sent to this House and approved had not been implemented. However, it does not follow that this particular one would not be implemented, if approved. This new government is trying to effect a change to so many aspects of governance and as such I feel that we should help this government to grow.

In the area of adherence to the rule of law, we can see the good job done by the Attorney-General under the supervision of Mr. President, which shows that this country has come of age. The Finance Minister at the moment is somebody that has been in the apex bank of the country - CBN - and served there for so many years in the capacity of a Deputy Governor. His coming on board to serve as the Minister of Finance would give a lot of credence to the Finance Ministry and give us accurate financial analysis on how figures are maintained and run. All I am saying is that we should adhere to the principle of equity, fair play and understanding. As you know, he who wants equity must come with clean hands. Mr. President has come to us with a clean hand and I urge this honourable House to please pass this Bill to enable him settle down and do his work.

Hon. Abdullahi Umar Faruk (Bunza/Birni Kebbi/Kalgo): Madam Speaker, I would also like to lend my voice to the voices of those who said that we should support the two Bills. I have the privilege of going through the details. I found out that inasmuch as we appreciate the President's sincerity and the gesture of admitting that implementation of the Budget is at a very slow rate, I would still ask for caution in certain areas which I believe is very important to the lives of the citizens of this country. Nigeria, by and large, is a developing country and the investment we make in capital expenditure is what will definitely show and lead to our development in totality.

I have had the privilege of citing infrastructural projects which are on-going and which have outstanding payments as a result of which contractors are unable to continue. Now, deductions are being made from that head in this Supplementary Budget. So, I do not know whether it is to further strangle the

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execution of such projects, leaving them as abandoned projects or what.

Inasmuch as we would want to be sincere in our expenditure, we should allow certain projects that need attention and are very germane and important in our development to continue. For example, there is a road project in Kaduna Eastern by-pass, which ought to have been completed four years ago, but because of inadequate funding, that project is still lingering. Out of the ₦2.3 billion earmarked for the project in 2007, ₦1 billion has been reduced and I found out that they have outstanding payment. This is a word of caution. All Committee Chairmen should look at the on-going projects that are very important to us and ensure that they are not meted with any reduction.

Thank you.

Hon Danlami Hamza (Fagge): Madam Speaker, ordinarily, every Member in this Chamber will commend the President for living up to his promise to adhere to rules and regulations and not just laws. We are seeing a huge step from what it used to be. We should encourage him in this noble undertaking.

The virement of the sums voted for Capital Expenditure to Recurrent should worry us because any economy that spends more on recurrent while neglecting capital on infrastructure would sooner or later have crisis. The amount that we are talking about here is not one that should ordinarily trouble us. We have a situation where we have a shortfall of 25 *per cent* from our expected oil revenue and, taking their words on what they said, that leaves us with 75 *per cent*. We also have a situation whereby as at September 2007 we have implemented only about 18 *per cent* of the remaining 75 *per cent*. I think that should be cause for worry. I want to hasten to call the attention of Mr. President that if he really wants to be different, he has to take some drastic decisions. The situation where budgets are passed and funds are available, and for whatever reasons they are not implemented is uncalled for. We make promises day in, day out. We even carried our approved budgets home and used them as evidence of having achieved something and yet these things are not implemented. It cannot be allowed to continue this way. This is one of the tricks of bureaucracy.

We are talking about 15 *per cent* increment in salaries, wages and emoluments. That is all good and

fine. As Hon. Matazu has said, the President made his promises to Labour and ASUU and we backed him up in all these. Of course, it is our responsibility to ensure that we actually help him to realise his promises.

The Chairman of the Appropriation Committee mentioned that it is the policy of this regime to see that all capital projects are concluded by 31st December, 2007. Budget does not work that way. There is no serious capital project, especially the infrastructural development at the Federal Government level, that is likely to be concluded in a 12-month period, including the rainy season. So, these projects can still be awarded at this point, if implemented at only 18 *per cent*. Let us see what could be done; probably, we can achieve 50 *per cent* before the end of the year. Having said that, I lend my support to those who say that we should hastily pass this Budget.

Hon. Olukolu Ganiyu Tunji (Amuwo Odofin): Madam Speaker, I thank you for this opportunity. My contributions are mainly to give a kind of coloration to the figures in areas of Debt Servicing, Recurrent and Capital Expenditures. I would start with the debt servicing area.

We can see that Domestic Debt Budget is reduced by about ₦29 billion. This is a great disservice to Nigerians and to Nigeria. I say this because by reducing our domestic debts budget, we are shooting ourselves at the foot. When we pay domestic debts, we are trying to improve the economy and that is a great service to Nigeria, because there would be a great opportunity for the people's empowerment. There will also be boom; food on our tables, job for our jobless youth *et cetera*. This is a service to us. So, we should not reduce domestic debts budget. We should service it; in fact, we need more. On record, we owe some trillions of Naira to domestic debts. From the few approvals that we have, it is not good to make deductions from them.

On the recurrent expenditure, when we have savings on recurrent, it is a good sign. So, the areas we are making those savings from, we have to give them kudos for doing a good job. That is a sign of good budget discipline and budget control.

On Capital Expenditure, it is very worrisome when we see capital approvals being reduced. We have some critical areas, which we need to put more money into, if we are serious as a nation. They include the Youth,

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Women Affairs, Agriculture and Water Resources, Health, Industry and Commerce, Justice, Energy, Science and Technology, Transportation, Housing and Environment, Culture, Tourism and National Orientation. These are very important and critical areas.

The youths are under-empowered, and we are reducing capital expenditure for Youth Programmes; it is very worrisome. We are facing some problems in this country about our youth. They are not employed, and they are roaming the streets. When we are cutting down the capital expenditure, something that would empower them, we have to think about it again.

I would advise that the Appropriation Committee should dig seriously into the nitty-gritty of why this is so and make Amendments where necessary. Rather than reducing the estimates on Capital Expenditure, we have some idle excess crude oil fund. We can take some money there to service these critical areas rather than reducing the budgeted capital funds. Before we reduce, it means a lot of energy has gone into capital budgets and papers have exchanged hands, proposals and write-ups *et cetera*. What that means is that we are no more doing these projects and we want to shortchange Nigerians. It has to do with empowerment, development and so on. So, when we are saying we want to under develop by so much, it is worrisome. We have to think again.

These are my submissions.

Hon. Andrew Igbonule Uchendu (Ikwerre/Emohua): Madam Speaker, a number of issues I would have taken up have been taken up by earlier contributors. Therefore, I would narrow down my contribution to two main areas.

Mr. President is setting a new precedent in managing and governing the country. As other contributors have said, he has rightly come back to represent some areas that would require his government's attention. Budget, like other planning process, would anticipate some deviations and shortfalls in its implementation. When that occurs, there would be need for Amendment and there would be need for Supplementary Appropriations.

In the course of the year, Mr. President did observe that there were some commitments that the Federal Government is duly obligated to meet up with. One area that Mr. President clearly pointed out is the

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issue of implementation; and when that occurs, there would be need for Supplementary Appropriation. Another area that Mr. President pointed out was NDDC funding. Mr. President, being realistic, informed the entire country that there were shortfalls that the NDDC should rightly be given, and that his administration would promptly address the shortfalls. One expected that the President having pointed out those shortfalls, the Executive will gladly and rightly provide for them. However, those pronouncements are completely missing in this Supplementary Budget. I would think that this House could guide the Appropriation Committee to ensure that the pronouncements and observations of Mr. President are adequately reflected and captured in the Budget. This is one way to show the height of Mr. President's sensitivity to the plight of the Niger Delta people, and this is one organisation that he had boldly said he must defend.

On the issue of the resettlement of the Bakassi people, we would all recall that the previous Administration did a number of things to meet with international expectations, at least, in compliance with the World Court Judgment. As I speak, majority of our people, particularly those in the Niger Delta area, are not resettled. They are living like refugees in camps up till now. I would think that if the last Administration did not provide for it in the budget, now that Mr. President has come up with a Supplementary Budget, the issue of resettlement of our dear Bakassi people should be appropriately provided for. This, again, is lacking in the new budget. If there is nothing this House can do to provide for them in the Supplementary Budget, let it be clearly indicated that it would be fully and comprehensively provided for in the 2008 budgetary provisions.

The other area is the National Youth Service Corps Programme. We all are witnesses to what is going on today. Our graduates cannot even be allowed to serve. In 1973 when this Programme was initiated, a number of Nigerians felt that our graduates would not be willing to participate. I can say that there was a provision at that time that those who attained the age of 30 would be excluded and given exemption certificate. Today, majority of Nigerians that are graduating are under 30 years, but placements are now being rationed on quota system basis. Why? The other day, we listened to some presentations and the issue was that there was no adequate provision to cater for our youths who are graduates and are supposed to go for the NYSC Programme. What do we do as a House? If these energetic forward-looking youths are made to sit at home for twelve calendar months, you can imagine

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what would be the effect. The negative implication of that could be avoided if we find a way to increase the fund of the NYSC so that our young men and women who are graduates could be incorporated in the forthcoming NYSC Programme.

I know that Mr. President means well for this country, so I will very gladly and fully support that this Bill be read the Second Time.

The Speaker: Maybe I should try to correct part of the information that you have just given on NYSC. I do not think the Federal Government is thinking of using quota system. I think there was a problem during the last appropriation exercise and instead of catering for about 175,000 students, 120,000 were catered for. There was a difference in that figure and I can assure you that within a short while they would make amends as far the issue of NYSC is concerned.

Hon. Andrew Uchendu: Thank you, Madam Speaker. If that is done, some of us would be very happy.

Hon. Honourable O. Osita (Ogba/Egbema/Ndoni/Ahoada West): Madam Speaker, I want to thank Mr. President whom I want to aptly describe as a law-abiding and court-judgment obeying President for presenting before this hallowed Chamber the Amendment Bill and the Supplementary Appropriation Bill for our consideration.

Many of my Colleagues have contributed to the debate on the two Bills presented before us, and I want to express some worries, especially as it affects the Amendment Bill. I am worried that this House should call for a reduction of Capital Expenditure in favour of payment of salaries and External Debt. Now, the whole essence of governance is for government to provide for its teeming people. We all agree that the percentage of those that would benefit from the implementation of these Bills, if approved, is insignificant compared to the percentage of the people that would benefit from the non-reduction of the provisions of the capital projects from which the two bills would have been funded.

I disagree with the intendment of the Bills, even though I believe that Mr. President and his team might have thought about them before presenting them to us. I know that capital projects provide an improved infrastructure, generate employment and promote

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security. Now, if we are removing money from capital projects and giving it to Defence, like my Brother, Hon. Osagie, has just said, we are arming the military to quell avoidable situation. If we have rehabilitation of roads going on in different parts of this country, most of the youths that we are asking the military to control would be employed and our roads would be better. Most of our youths would be in farms if money is not removed from Agriculture and Water. Those capital projects from which money is being removed are the areas that can provide employment for our youths. So, I do not want to agree that the money should be deducted from those capital projects for payment of salaries as proposed in this Bill. From the submissions and contributions of hon. Members, we all agree that removing money from capital projects is not the proper thing to do.

Madam Speaker, we agreed that there are alternative sources of generating funds to meet the requirements of whatever budgetary amendments that the Executive may require to make. I want to submit, most respectfully, that we do not approve the Amendment to the 2007 Budget, as proposed. However, in order not to be seen as not complementing the good intention of Mr. President, I support that we pass this Bill speedily.

The Speaker: Hon. Osita Ohajuruka, you are talking for both sides; so, I do not know which one to take. Are you supporting or against the Bill?

Hon. Osita: Madam Speaker, I do not support the Amendment, but I support the Supplementary Bill.

The Speaker: Hon. Members, if you look at the time, you will find that it has been far spent. So, let me just call one more hon. Member to speak while I keep the names of our other hon. Colleagues who are interested in contributing to this Bill for tomorrow's sitting, when I hope that we can, at least, commit it to the appropriate Committee. I call on Hon. Ike Chinwo to make his contribution.

Hon. Ike Chinwo (Obio/Akpor): Madam Speaker, a lot has been said on these Bills, the Amendment and the Supplementary. However, let me say that Mr. President means well for this country, but it does appear that Ministers and the President's aides are at work again – they have begun to set confusion in. We must be very careful when it comes to matters that are brought before us here for consideration.

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The issue of Amendment, that is, taking money from Capital Budget to fund Recurrent Expenses and then bringing a Supplementary Appropriation before us is uncalled for. Inasmuch as the spirit in paying for the increase in salaries and all that is laudable, that could as well come by way of Supplementary Appropriation just like they have done here. By bringing an Amendment, cutting money from Capital Projects, Water Resources, Health facilities, Energy Resources, Transportation, Roads, Aviation, *et cetera* is totally uncalled for. I believe that the Finance Minister should sit down very well and address Mr. President so that he does not begin to set confusion into the process of governance in this country.

Having said so, as far as the Supplementary Appropriation is concerned, I am fully in support of it, especially as it affects the issue of funding of both the Military Pension and others, and of course the payment of debt owed the FERMA contractors. Many times FERMA has come to say that they cannot perform because even the contractors that are supposed to be working for them are being owed. I believe that if we pass this Supplementary Appropriation, these contractors would be paid so that those who have long-term contracts in terms of road maintenance can go back to site and begin to work.

In that respect, I want us to pass this Bill at Second Reading so that the Committees that are supposed to do this work would do it properly. The areas that we are not supposed to cut funds should not be tampered with.

I beg to submit.

The Speaker: Thank you very much. This debate is adjourned till tomorrow.

ANNOUNCEMENTS

Committee Meeting

The Speaker: Hon. Colleagues, please listen to this important announcement. It says:

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This is to inform all the members of the House Committee on Industries that there will be a meeting of the Committee tomorrow, Wednesday, 12th September, 2007 at 10.00 a.m. prompt in the House Committee Room 21

(Signed)
Committee Chairman.

Committee on Gas Resources

Another Notice of Meeting says as follows:

The Committee on Gas Resources will be holding its meeting today in Committee Room 19 at 2.30 p.m. prompt.

(Signed)
Hon. Igo Aguma

Inauguration

The Rules and Business Committee will be inaugurated today at 2.00 p.m., so the Chairman is inviting all the hon. Members to be in attendance. We have two other inaugurations in respect of the Committees on Petroleum Up-Stream and Down Stream. You are all cordially invited for the inaugurations.

ADJOURNMENT

Hon. Babatunde Akogun: Right Hon. Speaker, I move that this House do stand adjourned till tomorrow, Wednesday, 12th September, 2007 at 2.00 p.m.

Hon. Baba Shehu Agaie: Madam Speaker, I do second the Motion as moved by my Leader.

Question put and agreed to.

Resolved: That the House do stand adjourned till tomorrow, Wednesday, 12th September, 2007 at 2.00 p.m.

The House adjourned accordingly at 1.40 p.m.