

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 26th June, 2002

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

NOTICE OF MOTION

APPROVAL OF TAXATION MEASURES

The Minister for Finance (Mr. Obure): Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-

THAT, the proposals relating to:-

- (a) Customs Tariff;
- (b) Excise Duties;
- (c) Value Added Tax;
- (d) Income Tax; and,
- (e) Miscellaneous Fees and Taxes contained in the Financial Statement for the year of Account 2002/2003 be approved.

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

ORAL ANSWERS TO QUESTIONS

Question No.264

REHABILITATION OF MITUNGUU- CHIAKARIGA WATER PROJECT

Mr. Deputy Speaker: Is Mr. Mwenda not here? We will leave this Question until the end. Let us move on to the next Question.

Question No.313

MINISTRIES' FAILURE TO REPLY TO MAIL

Mr. Deputy Speaker: Is Mr. Kariuki not here? We will come back to this Question later on. Let us move on to the next Question.

Question No.276

BONUS PAYMENT TO PYRETHRUM FARMERS

Mr. Githiomi asked the Minister for Agriculture:

- (a) whether he is aware that Pyrethrum farmers have been paid their bonus at Kshs3.80 instead of Kshs40 per kilogramme;
- (b) why the bonus was drastically reduced and what he is doing to remedy the situation; and,
- (c) where the Kenya pyrethrum is sold and at what price per kilogramme.

The Minister for Agriculture (Dr. Godana): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware. However, I am aware that bonus paid to pyrethrum farmers in the crop year 2000/2001 was Kshs7, a drop from Kshs22.50 paid in 1999/2000 crop year. The total payment made to pyrethrum growers for the crop year 1999/2000 was Kshs86.13 per kilogramme of dry pyrethrum flowers containing 1 per cent pyrethrin, whereas the payments for growers in 2000/2001 crop year was Kshs80.73 per kilogramme. The difference was about Kshs6. The rate of bonus depends on the trading results as determined at the end of the pool year, in conformity with the Pyrethrum Act.

(b) The bonus was low, but not as low as alleged by the Questioner, because of the following reason: Adverse trading conditions which prevailed during 2000/2001 crop year forced the Pyrethrum Board of Kenya (PBK) to finance unusually high stocks of finished products.

The PBK and the Ministry are doing everything possible to remedy the situation and improve the lot of pyrethrum farmers by improvement of field services to growers and modernisation of the factory where flowers are processed, so that we can expect better out of the flowers. We also intend to expand the local regional and international markets for Kenya pyrethrum. We are happy that over the last six to nine months, this has been going on very well. We are beginning to receive new orders.

It is hoped that the above initiatives will result in higher grower payments and greater stability of the pyrethrum industry in the country.

(c) The market and prices per kilogramme of Kenya pyrethrum is as follows:-

Within Kenya, pale pyrethrum extract 50 per cent weight for weight at PBK is selling at Kshs9,835 per kilogramme. Pale pyrethrum extract 25 per cent weight for weight at PBK, the price is Kshs4,920 per kilogramme. Oleoresin pyrethrum extract 25 per cent weight for weight costs Kshs3,800 per kilogramme, while flower powder at 1.3 per cent - this is a product they use, for example, to make mosquito coils - is selling at Kshs8,320.50 per kilogramme. Fine marc which is animal feed is selling at Kshs525.50 per kilogramme, while coarse marc which is exported to Japan is selling at Kshs250.50 per cent per kilogramme. You realise that the last two are the wastes from the processing. In other words, this is an industry in which no part of the flower is wasted. After extraction of pyrethrin, what is left becomes by-products which are need elsewhere.

In the rest of Africa, European Union, Eastern Europe, Asia, Central and South American, the prices are as follows: Pale pyrethrum extract 50 per cent weight for weight by PBK is selling at US\$150 per kilogramme. Pale pyrethrum extract 25 per cent weight for weight by PBK is selling at Kshs75 per kilogramme. Oleoresin pyrethrum exact 25 per cent is selling at US\$66 per kilogramme. The flower powder 1.3 per cent is selling at US\$22.50 per metric tonne. Fine marc is selling at US\$450 per metric tonne, while vegetable wax resin, which is greasy stuff, is sold at US\$500 per metric tonne.

In Japan which is becoming a fast growing market for our products, pale pyrethrum extract 50 per cent weight for weight is selling at JY15,084 per kilogramme. Pale pyrethrum extract 25 per cent weight for weight is selling at JY7,183 per kilogramme. The oleoresin pyrethrum extract 25 per cent is selling at JY6,200 per kilogramme. The flower powder 1.3 per cent content is selling at JY261,665 per metric tonne, while the coarse marc is selling at JY19,425 per metric tonne.

Finally, the other market regions are Austria and New Zealand, where the prices are as follows:

Pale pyrethrum extract 50 per cent weight for weight is selling at US\$120 per kilogramme. Oleoresin pyrethrum extract 25 per cent is selling at US\$66 per kilogramme. The flower powder 1.3 per cent is selling at US\$2,250 per metric tonne.

In North America, the prices are as follows:

Pale pyrethrum extract 50 per cent weight for weight is selling at US\$165 per kilogramme. Oleoresin pyrethrum extract 25 per cent is selling at US\$66 per kilogramme. The flower powder 1.3 per cent is selling at US\$2,250 per metric tonne.

Mr. Githiomi: Mr. Deputy Speaker, Sir, I am disadvantaged that I do not have a written answer to the Question. However, you have heard the price at which pyrethrum is sold overseas by the Pyrethrum Board of Kenya, whereas Kenyan farmers are paid peanuts. There was a Motion brought to this House in 1999 that sanctioned the privatisation of the Pyrethrum Board of Kenya because farmers do not know anything about these prices the Minister is talking about; they receive peanuts that are determined by the Pyrethrum Board of Kenya. When is the Minister going to ensure that the Pyrethrum Board of Kenya is privatised, to allow farmers to elect their own directors and chairman instead of the directors being appointed by Government? That is the only way they are going to solve this problem, in order for the pyrethrum farmers to realise their money.

Mr. Deputy Speaker: Mr. Githiomi, now that you have made a speech, why don't you now ask your question?

Dr. Githiomi: Mr. Deputy Speaker, Sir, I have already asked the question.

Mr. Deputy Speaker: Mr. Githiomi, you do not do anybody any good by asking a question and then proceeding to make a speech.

Dr. Godana: Mr. Deputy Speaker, Sir, I would like to be understood. Mr. Githiomi clearly does not understand the operations of the industry. I would like to make a plea, that this is an industry which is fully on the road to recovery. Five years ago, the total production in this country had fallen to 3,000 metric tonnes of pyrethrin per year. It has now grown over the last three years to 8,000, and this year they are approaching 11,000 metric tonnes, and we will be going well beyond that. Obviously, the recovery would not be possible without farmers being encouraged.

Mr. Githiomi: On a point of order, Mr. Deputy Speaker, Sir. The Minister is not answering the question---

Dr. Godana: I am!

Mr. Githiomi: Mr. Deputy Speaker, Sir, he is saying that I do not understand the industry while I asked him a very specific question, and this is a very important question.

Dr. Godana: Mr. Deputy Speaker, Sir, that is why I am answering it very seriously, and I think it is important that when hon. Members ask questions, they should ask what they know and understand, and not - as sometimes happens - what they seem to have been told.

Mr. Deputy Speaker: Order, Dr. Godana! Just answer the question!

Mr. Githiomi: They are stealing pyrethrum farmers' money!

Dr. Godana: Mr. Deputy Speaker, Sir, I am making a plea because there was a lot of misinformation in then Press a few months back which almost caused chaos, but, in fact, farmers, fortunately, understood---

Mr. Angwenyi: Mr. Deputy Speaker, Sir, I am a farmer---

Mr. Deputy Speaker: Order, Mr. Angwenyi! You do not just stand up and start shouting! You may be a farmer, but that is not of concern to us. You are an hon. Member of this House, and you are required to behave according to the rules.

(Several hon. Members stood up in their places)

Mr. Deputy Speaker: Order, hon. Members! If you do not want the Minister to answer this Question, I will move on to the next Question.

Proceed, Dr. Godana!

Dr. Godana: Mr. Deputy Speaker, Sir, I am making a plea for understanding. Our policy is to privatise, and we would want to privatise a specific industry, like the pyrethrum industry, when we have prepared the ground properly. We should understand that this is an industry where we are now responsible for about 70 per cent of the total world production of a crop which is beginning to rise in value in the sense that, all of a sudden, it has been discovered that the world is getting concerned about the side effects of pesticides and pyrethrum is the ideal product which disappears. The flower and vegetable farmers, for example, all of a sudden are pressing us to register new product lines which have been made. We are in the advanced stages of the registration exercise. We are committed to privatisation, and we will privatise, but we will not do so in a rush, but when we have prepared the ground properly.

Mr. Deputy Speaker: Next Question!

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

Mr. Deputy Speaker: Order! Look at the clock. If you are not satisfied with the answer, you know what to do.

Question No.094

UPGRADING OF KANDARA HEALTH CENTRE

Eng. Toro asked the Minister for Medical Services when Kandara Health Centre will be upgraded to a sub-district hospital.

The Assistant Minister for Health (Dr. Wako): Mr. Deputy Speaker, Sir, I beg to reply.

Kandara Health Centre will be considered for upgrading when it acquires all the required physical infrastructure and the population to warrant a sub-district hospital.

Eng. Toro: Mr. Deputy Speaker, Sir, the answer is a bit vague because, last year, on 19th March, 2001, when His Excellency the President visited Kandara, I requested the Government to upgrade Kandara Health Centre, and he agreed that it should be upgraded to a sub-district hospital. Now the Assistant Minister is saying that physical infrastructure and population catchment warrant the upgrading. What is the physical infrastructure required? Could the Assistant Minister give an indication of what the requirements of the physical infrastructure and the population

catchment are?

Dr. Wako: Mr. Deputy Speaker, Sir, I know the hon. Member is aware that he is already putting up some wards on Harambee basis, but we will still require a theatre, mortuary and adequate supply of water to Kandara Health Centre to warrant its upgrading. The population as of now is about 30,000 people, and we need up to 100,000 people for a sub-district hospital.

Mr. P.K. Mwangi: Mr. Deputy Speaker, Sir, the reason why we have few patients at the Kandara Health Centre is because people travel all the way to Thika to get medical care. In order to ease congestion at the Thika District Hospital, could the Assistant Minister consider upgrading the Kandara Health Centre? We know very well that Kandara is a very densely populated area.

Dr. Wako: Mr. Deputy Speaker, Sir, it is true that patients are going to Thika District Hospital, which is only 18 kilometres away, because it is a referral hospital for the whole district. There is also Gaichungu Catholic Mission Hospital, which is only 11 kilometres away.

Eng. Toro: Mr. Deputy Speaker, Sir, when Maragua District was created, our medical facilities were all left in Murang'a District. Maragua District does not have proper medical infrastructure, and since Kandara Hospital is one of the biggest hospitals in the district, it due for upgrading. This is why the President supported its upgrading. Is the Assistant Minister suggesting that all the facilities must be put in place on Harambee basis before the upgrading, or will the Government put in the extra infrastructure necessary for upgrading?

Dr. Wako: Mr. Deputy Speaker, Sir, it is true that hon. Members, people or the community are actually putting up some wards in that health institution. We will consider building some structures, like the mortuary, while wananchi construct the theatre room so that we can upgrade this health institution. But we would like to request that the District Health Management Board and the District Development Committee (DDC) be informed so that a formal request is made to the Ministry.

Mr. Deputy Speaker: Let us move on to Mr. Mwenda's Question for the second time!

Question No.264

REHABILITATION OF MITUNGUU-
CHIAKARIGA WATER PROJECT

Mr. Deputy Speaker: Mr. Mwenda is not here? The Question is dropped!

(Question dropped)

Mr. Kariuki's Question for the second time!

Question No.313

MINISTRIES' FAILURE TO REPLY TO MAIL

Mr. Deputy Speaker: Is Mr. Kariuki still not here? He is not here and, therefore, his Question is dropped!

(Question dropped)

Let us move on to Questions by Private Notice!

QUESTIONS BY PRIVATE NOTICE

SALE OF MR. EUSTACE NGINGA'S FARM

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

(a) Is the Minister aware that Mr. Eustace Mwaniki Nginga, a retired Senior Assistant Commissioner of Police, was a victim of the ethnic clashes in Molo in 1992, and that he was kicked out of his farm in Sondu River Settlement Scheme, Plot No.552/1, measuring 254 acres?

(b) Is he further aware that Mr. Nginga's farm was recently given a new number, Sondu River Settlement

Scheme Plot No.52/180, and has been allocated to Mokal Investments Company Limited, which is currently subdividing it and selling off the sub-divisions?

(c) What urgent measures is he taking to halt this sub-division and sale of Mr. Nginga's farm and to resettle him and his family on the farm?

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

(a) I am not aware.

(b) I am also not aware.

(c) Arising from the answer to part "a" above, part "c" does not arise.

Mr. Muite: Mr. Deputy Speaker, Sir, this is a serious matter. This Question was submitted to the Ministry before the House broke for the last recess. The fact of the matter is that the victim of these ethnic clashes, Mr. Eustace Mwaniki Nginga, who was a Senior Assistant Commissioner of Police, was kicked out of his farm in an invasion supervised by the late Chelang'a using a helicopter. Since the Question was submitted to the Ministry before the House went on recess, how can the Minister rise here and say that he is not aware? What investigations has he carried out after the Question was submitted to his Ministry? The reality is that the farm, as I speak here, is being sub-divided by the very Kalenjin warriors who actually attacked this man and his wife. If you see the couple, you will shed tears. When I saw them, I shed tears. What investigations has the Minister carried out since the Question was submitted to his Ministry?

Mr. Sunkuli: Mr. Deputy Speaker, Sir, the hon. Member always has his facts absolutely wrong with respect to the ethnic clashes. This is because there are some things, like Kalenjin warriors, which are certainly a figment of other people's imaginations. These are things which have never existed. The talk about supervision of the ethnic clashes by helicopters is equally a creation of some people, and the hon. Member should not buy that story at all. But I would like to answer his question. The investigations I have carried out with respect to plot No.552/1 in Sondu River Settlement Scheme have shown me that the registered owner of that land is Mr. Eustace Mwaniki Nginga. He has paid a settlement fee of Kshs234,400 and Kshs4,700 for stamp duty. My further investigations show that no transfer or re-allocation of the land, or any parts thereof, to Mokal Investments Company Limited has been brought to the attention of the Government. I have also carried out investigations to the effect that a copy of the correspondence, a letter not copied to our Department though, between the Director of Lands and Settlement and his Permanent Secretary, indicates that there might have been a possibility of fraud in this matter. But at the moment, Mr. Muite, who is a lawyer, could, in fact, have tabled a copy of a search to show that this land is properly registered in the name of the person he is defending. **Mr. Muite:** Mr. Deputy Speaker, Sir, I would like to table documents, including correspondence, from Mr. Nginga, which clearly establishes that the information that the Minister has given this House is incorrect. This farm has been expropriated and is being sub-divided. I would like to ask the Minister to carry out further investigations. It is the Provincial Administration which is overseeing the grabbing of this farm! Go through these documents.

Mr. Deputy Speaker: What are those documents?

Mr. Muite: Mr. Deputy Speaker, Sir, they include correspondence.

(Mr. Muite laid the documents on the Table)

Mr. Imanyara: Mr. Deputy Speaker, Sir, in answering the Question, the Minister confirms the particulars of plot No.552/1 but leaves out the particulars regarding plot 52/180, which is the subject of the allegation that the plot belonging to Mr. Nginga has been given a new number. Therefore, even if a search was made on the original documentation, it will confirm what Mr. Sunkuli has said. But he has not told us anything regarding plot No.52/180, which is alleged to be the same plot which has been illegally transferred from Mr. Nginga and is the subject of sub-division. But that notwithstanding, the issue of the ethnic clashes and the expropriation of land which belongs to Kenyans was a subject matter of a Judicial inquiry. Could the Minister agree with me that the best way of settling this issue is to publish that report for wide distribution to the Kenyan people, so that we can know who is telling the truth?

Mr. Sunkuli: Mr. Deputy Speaker, Sir, first of all, I hope the hon. Member is aware of my answer as to whether I am aware that, that land has been given a new number. I am not aware of that particular fact. As far as I am concerned, the plot number is still 552/1. As to whether the best way of getting to the truth of the problems arising from the clashes is by publishing the inquiry report, and whether I believe that will be the best solution, my answer is "no".

Mr. Deputy Speaker: Let us move on to the next Question!

(Mr. Mwakiringo) to ask the Minister for Education:-

- (a) Is the Minister aware that the Aga Khan Foundation has decided to privatise all Aga Khan Schools, thus taking over the employment and management of teachers?
- (b) Is he further aware that this has prompted teachers from the affected schools to either resign from the Teachers Service Commission or seek employment from other quarters?
- (c) What immediate measures is he taking to stop this action?

Mr. Deputy Speaker: Mr. Mwakiringo is not here! His Question is dropped.

(Question dropped)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 13.6.2002)

(Resumption of Debate interrupted on 25.6.2002)

(Fifth Day of Budget Debate)

Dr. Kituyi: Thank you, Mr. Deputy Speaker, Sir, for according me a chance to also make a few remarks on this important matter.

I have heard many hon. Members congratulating the Minister for Finance that, for the first time in 20 years, he has come up with a Budget which does not factor in any donor support. I even listened to my good friend, Prof. Anyang'-Nyong'o, when he said yesterday that, indeed, it is about time we went back to Budgets which do not factor in donor resources. My starting point is that I totally disagree with these sentiments. I disagree with these sentiments for two reasons. Sometimes it is very nice to have the bravado of acting as if you are capable of doing things on your own.

But it is more helpful to identify the reasons why you are not capable of doing that in reality. This Government cannot pretend away donor support; this Government cannot pretend away the importance of a vote of confidence from the International Monetary Fund (IMF) and the World Bank. Rather than pretend that we can now balance a Budget without donor support, we should address the fundamental issues which have made us the pariah to the international financial institutions. One thing that surprises many people is how a country, which is so vulnerable, and which has been in economic reverse gear for nearly a decade now, has its top leadership, at the earliest opportunity and excuse, always throwing out vitriol against donor institutions. I am surprised how a Government can be involved in negotiations with the donors about the balance of payments, and the leader of the same Government, when he goes to a totally unrelated international fora, throws tirades against the World Bank and the International Monetary Fund (IMF), as if they are hostile institutions to this country and his Government. If we could find some more consistence between what we do in negotiations and what we say at open fora, the world will learn to respect us a bit more.

Mr. Deputy Speaker, Sir, there are two concerns that have been coming to the fore for me in the recent past. I look at a Budget which is supposed to be addressing a country which needs to revive a collapsed economy. It is founded on understanding that this economy is not going to be turned around unless we can export more to external markets.

(Loud consultations)

Mr. Deputy Speaker, Sir, could you protect me from some slightly loud consultations from Mr. Raila?

Mr. Deputy Speaker: Order! Proceed!

Dr. Kituyi: Mr. Deputy Speaker, Sir, if this country is going to become competitive as an exporting economy of value added exports, whether it is textiles or any other value added export, the only way to become competitive is to reduce the cost of labour; that, in every dollar of value added, the number of cents that have to be used in paying labour must be reduced to become competitive, vis-a-vis other leading competitors like China,

Bangladesh and India. Today, in every value added dollar, the cost of labour in Bangladesh is 15 per cent. The cost of labour in Kenya is 35 per cent. If we are going to compete with Bangladesh in the textile export market, we must find how to reduce the cost of labour in that value added dollar, to make us an important net destination of foreign investments.

But you cannot address that question by increasing the cost of producing labour. If you tax kerosene or bread more, you automatically increase the cost of labour. So, a government cannot pretend that it wants to be competitive in exporting value added produce and, at the same time, it is increasing the cost of production of labour, which would translate into pressure for increased benefits for labour.

Mr. Deputy Speaker, Sir, there is another matter that pains me as a Kenyan from Western Kenya. All my adult life, I have expounded nationalist politics and I have never been a tribalist. I do not believe in sectarian consciousness. But there is a certain underlying problem that has to be addressed by Kenyans; an economic reality that is painful for Western Kenya. Recent statistics by the UNDP, and a draft book by Friedrich Ebert Foundation attest to a very glaring pain in this country. If you look at the life expectancy in Central Province today, it is 64 years. It is at the same level as Argentina and Brazil. Life expectancy in Western Province is 46 years---

Mr. Deputy Speaker: Well, you have gone past that figure!

Dr. Kituyi: I am not yet 46 years, but I am almost there! Out of every 1,000 children born in Central Province, 27 die before they reach the age of five years. In Western Province, 125 children die. If Western Province was a country, it could be the poorest country in the world, with the worst infant mortality. It is worse than Somalia and Mozambique, and yet it is part of this country! When a critical area of a country is being left behind--- When we talk about statistics in Western Province, we are hiding much more abhorrent statistics about Busia District, which is much worse than Western Province. If an area of this country is worse than Sierra Leone in life expectancy and infant mortality, it is the responsibility of the captains of this country's economy to address what it is, that is letting a critical area of the country to fall back. You cannot start addressing the economy of this country about development without addressing the dire consequences of the collapse of the cotton industry to the economies of Siaya and Busia.

Mr. Deputy Speaker, Sir, today, apart from urban remittance, the main income of Siaya District is the export of chang'aa and trans-shipment of bhang from Uganda. You have to start addressing those realities about your country. It is not acceptable that the Government taxes a Sugar Development Levy to the farmers in the Sugar Belt of Western and Nyanza Provinces, while there is a Presumptive Tax on sugar-cane, when the population of that area has the worst economic index than Sierra Leone, Ethiopia, Somalia and Mozambique. We want to get to the rest of the country. We want the rest of the country also to engage about our plight. It is a critical requirement, if we are going to sustain the sense of national identity and solidarity.

Mr. Deputy Speaker, Sir, to finish off, we are commiserating with our brothers and sisters in Tanzania, over the recent accident outside Dodoma. But this country wastes many opportunities for goodwill. Tanzania is the second most important business partner of Kenya. We have not shown sufficient collective emotional solidarity with the Tanzanians. This country has demonstrated an increased capacity for emergency response to accidents. The reaction to the 7th August bomb blast was fantastic. The constellation of emergency operational groups for Eastern Africa are in Nairobi. This country should have reacted by putting out helicopters, which are flying around with "Young Turks" to dump money, to take doctors and drugs to Dodoma, in our solidarity with our brothers and sisters in Tanzania. Instead, we waste that opportunity and what do we do? We start saying: "We now want to start imposing some punitive measures against Uganda and Tanzania because they are unfair to us Kenyans!" What cheek? Uganda imports goods from Kenya worth US\$250 million in one year. Kenya imports goods from Uganda worth US\$10 million. Kenya should be ready to do affirmative action towards Uganda, go out of its way and even buy more expensive goods from Uganda, because we want to secure that market. Kenya should invest in the emotional capital that comes with solidarity with the people of Tanzania, by extending medicines, doctors, paramedics and other personnel that we have an advantage over Tanzania, in assisting with the crisis that has occurred outside Dodoma.

Mr. Deputy Speaker, Sir, but when we are so drowning in our pettiness; when we are so incapable of identifying opportunities that would strengthen our standing in the region, where, historically, we have done very badly--- We turned our backs to Ugandans when they were faced with genocide from a dictator. We have made the Tanzanians suspicious about our intentions since we killed the East African Community earlier on. This is the time for us to invest in emotional solidarity. But who is going to think for us, if the top leadership is only so obsessed with petty short-term gains, domestic politics of six months; is surrendering responsibilities of thinking about what will happen in the next decade or two?

Mr. Deputy Speaker, Sir, I think it is extremely important that if the Government does not generate that vision and capacity to see where this country needs to go, the National Assembly of this country should compensate for that deficit, first and foremost, as a Parliament, to commiserate officially with our colleagues in Tanzania, for the accident which happened coincidentally outside the seat of the Tanzanian Parliament and, further, to cast the goodwill that so

much anchors on political solidarity between the peoples of East Africa.

Thank you.

Mr. Shitanda: Thank you, Mr. Deputy Speaker, Sir, for allowing me to make a few comments on the Budget presented by the Minister for Finance. I would like to talk about the sugar industry as it relates to the Minister's wish to revive the agricultural sector. The sugar industry in this country is reeling from a lot of pain out of the participation of our country in the COMESA Treaty. While we welcome our country's participation in the COMESA region, we have a few people who have taken advantage of the COMESA Treaty to exploit and kill the sugar industry in this country. As I speak now, the market for the sugar industry in North Eastern Province has been taken over by sugar which is being sneaked in through Somalia. These people are bringing in this sugar without paying duty and disregarding the quota allocated to COMESA.

Mr. Deputy Speaker, Sir, the sugar industry in this country has to be assisted in the sense that the cost of production of sugar in this country cannot sustain the industry. We have so many levies being levied on the industry, for instance, the Sugar Development Levy. Maybe, ways and means should be found to reduce the percentage levied on farmers towards the Sugar Development Levy. There is also the cess which is levied on the farmer. This cess, in the real sense, does not assist the sugar-cane farmer in any way. Most of this money is collected by county councils, who use it to pay salaries or squander it on some other services that are not related to the sugar industry.

Mr. Deputy Speaker, Sir, if we have to be serious in reviving the agricultural sector, then ways and means should be sought to write off loans, like the AFC loans. Time and again, the Government has talked about putting measures in place to write off these loans in order to revive the agricultural sector. However, these have turned out to be mere promises as our farmers have continued to suffer. The AFC officials have continued to harass farmers day in, day out. In fact, most farmers in Western Province have had their property auctioned by AFC towards recovering these loans which were taken in the 1980s and late 1970s. Some of the people who owe AFC huge sums of money are never harassed, and in the past, AFC has written off loans selectively. They have written off loans for those people who owe the corporation a lot of money, and left the real farmers whose crop failed when they took the loans to continue being harassed by the corporation over the collection of these loans.

Mr. Deputy Speaker, Sir, the Minister talked about low revenue collections. While we appreciate the Ministries' efforts in trying to mobilise their revenue departments to maximise their collections, tax evasion remains a major threat to revenue collection in this country. We do hope that in the future, the Ministry of Finance should seriously think about the so-called private godowns. Private godowns have become a major source of tax evasion. We have quite a number of private godowns in this country. Some are in Mombasa, while others are in Athi River. They are used to bring in counterfeit goods and they are also used for duty evasion. There is one notorious private godown in this country where the police officers assigned to guard it were handpicked by its owner.

(Loud consultations)

Mr. Deputy Speaker, Sir, could you protect me from the noises from the Minister for Finance? He is the same man who was involved in some loud discussions here. The Minister for Finance is becoming notorious.

Mr. Deputy Speaker: Consult in low tones. Proceed!

Mr. Shitanda: Mr. Deputy Speaker, Sir, I was still talking about low revenue collection. We have appreciated the efforts being made by the Minister in the last few years in trying to step up revenue collections, and I was talking about private godowns. What are you doing about these private godowns which are used to sneak in counterfeit goods which are being used to evade duty?

Mr. Deputy Speaker, Sir, the Minister talked about 220,000 metric tonnes of sugar being allowed from the COMESA countries, but we do know that the Government has no mechanism for ensuring that only 220,000 metric tonnes of sugar will be imported into this country. Most of the sugar which comes into this country from the COMESA region or from outside the COMESA region comes in under the pretext of industrial sugar, when in the real sense it is not industrial sugar but sugar which comes to flood our market and compromise the prices of our locally produced sugar. We would like the Government to put in place measures which would ensure that only the COMESA quota is allowed into the country.

Mr. Deputy Speaker, Sir, there is an inlet of counterfeit goods into this country from Somalia. I do wonder why the Government has not seriously addressed this issue. Most of the counterfeit goods that come into this country, come through Somalia. We have customs points along the Somalia border. I am sure we have enough security to take care of those points, but we do wonder why, when you go to Eastleigh, 80 to 90 per cent of those goods being sold in those shops there have not been customed. These are goods which are being sneaked in and sometimes these goods are sneaked in with the full knowledge of customs officials. The Ministry of Finance should strive to train if not to retrain the customs officials. There was a time when we had a problem at the port of Mombasa between the customs officials

and the so-called SWIPCO. SWIPCO was being paid a lot of money for being "policemen" of the customs officers. I really do not know what is going on now since SWIPCO left. I wonder whether we have had an increase on the amount of revenue being collected, or the situation has remained the same.

Mr. Deputy Speaker, Sir, the provincial administration should also help the Government and by expanding the Customs Department, in making sure that we maximise our revenue collections. Most of the border points and the *panya* routes are known to the provincial administration and to the police, and they have been very lax in trying to cut those entry points. It goes to a point where the police and provincial administration have become part and parcel of the problem. We would like the Government to seriously look into this issue.

I beg to support.

Dr. Omamo: Thank you, Mr. Deputy Speaker, Sir. I have only two points to make. First, I would like to thank the Minister for Finance for having presented a balanced Budget. I am praising him because for the first time since I joined Parliament, this is the first Budget that targeted the ASAL areas of our country by making provisions in the Budget for water to be made available to the people there, and for livestock and crop production. This is really an area where the Government should be saluted.

Having said this, I have a real quarrel with one of his colleagues, the Minister for Agriculture, for what, apparently, he said yesterday. I heard it over the radio that the Minister for Agriculture suggested that in 2002, cane produced in Muhoroni and Miwani zones should be cut and transported for milling in Chemelil Sugar Factory. Who has given the Minister for Agriculture this idea? Is this idea from the new Kenya Sugar Board (KSB)? How could it be because the Minister himself has not even inaugurated the Kenya Sugar Board? We are expecting the KSB to be the authority to advise the Government on the development of the sugar industry. There was an idea like this which was floated earlier on, but when His Excellency the President toured the sugarbelt, that idea was stopped by the Government. Who is resuscitating that idea? Well, it may be that our very good Minister--- and he is a friend of mine; when we are friendly, he talks a lot of sense. At other times, he talks common sense. But now he has changed to talk nonsense. Why should the Minister change like this?

Mr. Muite: On a point of order, Mr. Deputy Speaker, Sir. I have a lot of respect for Dr. Omamo, not just because he is the father of the Chairlady of the Law Society of Kenya. However, are you satisfied that the word "nonsense" is parliamentary?

Dr. Omamo: I am not a lawyer, but if I were one, I would have addressed my good friend as my learned friend. But when we talk of nonsense, it means there is no sense. That is what it means.

(Laughter)

Mr. Deputy Speaker, Sir, let us face the reality. The sugar industry in this country has been in the same trouble as the coffee industry. This House took the Sugar Bill very seriously. His Excellency the President saw how seriously the House debated the Sugar Bill and gave presidential assent. It was only the other day that the Sugar Act commenced. As we are talking, the KSB has not been called for an inaugural meeting. The members have been gazetted and for this, the Minister took the appropriate step, which was common sense. If Kenya wants to save the Kenya sugar industry and if it has to compete and run *pari passu* with other sugar industries within the COMESA region, then this idea of frustrating sugar-cane growers in Miwani and Muhoroni zones should be dropped. Instead, the KSB should concentrate on providing facilities for making inputs available at the right time, so that we improve on the production of high quality sugar-cane. With high quality sugar-cane, we hope to produce cheap sugar. It is with the cheap sugar, meaning low cost sugar, that we hope to compete in the COMESA region. We should think of farmers because they are also people. The Minister should not sit in Kilimo House burying his head so low that he does not find time to go and see what the farmers are doing on the ground. He should tour western Kenya and see how sugar-cane farmers are struggling in Mumias, Nzoia, Awendo, Miwani and Muhoroni. The Minister should not be only satisfied when he sees camels with their long legs walking around. There are other things that are also living. This is my appeal to him.

With these few remarks, I beg to support.

The Minister for Roads and Public Works (Mr. W.C. Morogo): Asante, Bw. Naibu Spika, kwa kunipa nafasi ili niseme machache kuhusu makadirio ya Serikali. Kwanza ningependa kujiunga na wale wanaopongeza Waziri kwa kujaribu kututolea makadirio zaidi kwa wakati huu ambao tunajua kuna ugumu sana kwa Serikali na uchumi wa taifa hili letu. Ingekuwa vigumu sana kwa Waziri kuweza kutoa pesa za kutosha kuwezesha Serikali kuwahudumia wananchi bila kuwatoza kodi. Ningependa kumpongeza kwa sababu, licha ya ugumu huo, amejaribu sana na tunajua kuwa wananchi hawajaumizwa na Bajeti hii. Ninajua ya kwamba Bajeti hii imeangalia sekta ya kilimo na viwanda katika nchi. Hizo ni sehemu ambazo zinaweza kusaidia uchumi sana kwa sababu zinachangia uzalishaji. Kwa miaka mingi, nchi hii imeruhusu uagizaji wa bidhaa nyingi kutoka nchi za nje bila kuzitoza ushuru wowote. Kwa hivyo,

Serikali na wananchi wa Kenya wamepoteza fedha nyingi kutoka nchi za kigeni.

Ninamshukuru Waziri kwa sababu wakati huu ile mipango ambayo ameweka itaweza kuwasaidia watu ambao wanahusika katika viwanda vyetu mbalimbali kuongeza bei ya vifaa vyetu ili tuweze kupata faida kwa vifaa ambavyo tunauza kwa nchi zingine. Ni heri tuangalie hizi sekta zetu kwa sababu si vizuri sisi kupoteza fedha zetu tukinunua vifaa ambavyo tunaweza kutengeneza hapa nchini. Ninafurahi kwamba sekta ya kilimo imeangaliwa. Sisi sote tunajua ya kwamba kwa muda mrefu, wakulima wetu wamekuwa na taabu nyingi kwa sababu ya bei ghali ya vifaa vya kilimo. Bei ya mbolea, kemikali na vifaa vingine muhimu imekuwa ghali. Serikali imechukua hatua ambazo zitawezesha wakulima kujimudu kwa mazao yao. Serikali imetoa mipango ya kupanua masoko kupitia East African Community, COMESA na AGOA.

Sisi kama viongozi inafaa tujihusishe kwa kuelimisha wananchi wetu. Haitoshi tu kupanua masoko bila sisi kutoa mazao ya kutuwezesha kufaidika na masoko hayo. Ni heri tuwaelimishe watu wetu waongeze bidii zaidi kwa kazi yoyote ambayo wanafanya, iwe ni katika sekta ya viwanda, kilimo au biashara mbali mbali. Kwa sasa, vijana wetu hawapati kuajiriwa kazi mbali mbali kwa sababu ya upungufu wa kazi hizo. Ningependa tuwahimise wajihusishe na mambo kama biashara ndogo ndogo. Ningependa kumwambia Waziri mwenzangu kwamba watu wetu, kwa kweli, wangependa kujisaidia, lakini wana shida katika sehemu zingine. Kwa mfano, hakuna fedha za kutosha za kusaidia biashara ndogo ndogo, wakulima wetu wadogo, vikundi vya akina mama au vijana. Lakini tunafahamu kwa nini fedha hizi hazipatikani. Kuna wakati fedha hizi hupatikana, lakini masharti yanayowekwa na benki mbali mbali au wale wanaosimamia fedha hizo ni magumu sana. Kwa hivyo, inakuwa vigumu kwa vikundi hivi kunufaika na fedha hizo. Kwa hivyo ningependa kwamba masharti haya yalegezwe kidogo ili pesa hizo zinufaishe vikundi hivi.

Nimesikia Wabunge wengi wenzangu wakisema ya kwamba sehemu zilizo na watu wengi na zinazoweza kutoa mazao mengi ndizo zinazofaa kunufaika na miradi ya maendeleo. Sikatai jambo hilo, lakini tunafaa kuzingatia kwamba sehemu za ukame zina watu wachache kwa sababu maisha huko ni magumu. Haifai viongozi kukataa kuwatetea watu wanaoishi sehemu hizo kwa sababu Serikali haiwezi kuisaidia sehemu moja ya nchi na kuisahau nyingine. Pia, Serikali haiwezi kuwasaidia watu fulani kwa sababu wao ni wengi, na ikatae kuwasaidia watu wengine. Serikali ina jukumu la kuangalia maslahi ya watu wake wote. Kwa hivyo, tunapozungumza kama viongozi, ni heri tuzitete haki za watu wa Kenya kwa jumla kwa sababu hakuna mtu aliyechagua kukaa sehemu kama Mkoa wa Kaskazini Mashariki au sehemu zingine zisizoweza kutoa mazao mengi.

Wakati huu tunajua kuwa tuna shida ya usalama. Ninashukuru Ofisi ya Rais kwa sababu ninajua kuwa polisi wamepewa magari hasa katika miji mikubwa kama Nairobi na Mombasa, na wanakabiliana sana na shida hii ya ukosefu wa usalama. Lakini ningependa kuhimiza kwamba wanafaa pia waangalie jambo la usalama huko mashambani. Utaona kuwa mambo yakiwa magumu katika miji, wakora wanakimbilia sehemu za mashambani. Wakifika huko wanakuta polisi hawako tayari kwa sababu magari yao na vifaa vya kulinda usalama ni hafifu wala hawana silaha za kutosha. Ombi langu ni kwamba pia wahakikishe kuwa polisi katika sehemu za mashambani wanapata magari ya kutosha ili waweze kuwalinda raia na mali yao kwa njia inayofaa. Tusipofanya hivyo, tutalinda Nairobi na miji mikubwa tu, na huku wananchi walio mashambani wanasumbuliwa. Mbali na usalama wa wananchi, usalama wa watalii pia unafaa kuangaliwa. Watalii wanapenda kutembea nje ya miji kujionea mambo ambayo hayapatikani katika miji, bali katika sehemu za mashambani. Ningependa kuhimiza kwamba polisi na wale wengine wanaohusika na usalama wapewe vifaa vya kutosha katika sehemu za mashambani ili wakabiliane na wakora ambao kwa sasa wanatoroka sehemu za mashambani kuwaumiza wananchi.

Ombi langu ni kwamba tuangalie shida za wananchi wote kwa jumla na pia tuzungumze vyema kuhusu nchi yetu, kwa sababu mambo yakiharibika, hatuna nchi nyingine ya kwenda.

Ninaunga mkono.

The Assistant Minister For Transport and Communications (Mr. Lengees): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to also contribute towards the Budget Speech. I take this opportunity to congratulate the Minister for Finance for giving Kenyans a well-balanced speech which we all hope will help reduce the poverty currently facing Kenyans in all sectors. I also take this opportunity to thank Kenyans for the political stability that we are experiencing. When we have political stability in this country, this will lead to economical stability and, of course, peace. This will enable the Minister for Finance to prepare a Budget that will help the country and guide Kenyans on what to do concerning matters of the economy. It is important that the Ministry of Finance ensures that they have qualified researchers in economics and development planning, so that each sector benefits from every year's Budget. I come from a pastoralism background where people look after cattle, goats, sheep and camels. In part of the area that I come from there are highlands - Rogi and Kirisia hills - where people are also involved in agricultural activities. They grow wheat and other crops there. It is important for the Ministry of Agriculture and Rural Development to be given more money and more officers to facilitate in guiding the agriculturalists or the people around the area to produce more products for the country's economy.

Mr. Deputy Speaker, Sir, when we talk about pastoralists, arid areas have been faced with insecurity.

Pastoralists have had inter-clan raids - theft of cattle, goats and other livestock for their use. These raids even go beyond the boundaries of our country to other countries. It is important for the Office of the President to be given more money in future so that they can tackle seriously this menace which has been a problem within the pastoral areas.

At the moment, all over the country, we thank the Government because they have tackled the problem of insecurity; the police and the military have better vehicles and communication equipment. But, at the same time, the homeguards have played a major role, particularly around the boundaries of our country; that is Turkana, parts of Ethiopia and Kenyan border. They have done a lot in trying to curb insecurity. The homeguards play a major role in maintaining security.

It is also important that the welfare of the homeguards is looked into; that is, in future, maybe, they should be provided with uniforms and some allowances once in a while so that they can work hard. The homeguards should be emulated because they seem to be better than even the other security forces.

Let me digress a little bit to what happened in Laikipia recently. Between Rumuruti and Maralal, there are bandits who are posing a lot of problems to those who travel between Maralal and Rumuruti, killing drivers and innocent people. Let me tell the House today that the Samburu community has been accused of harbouring those bandits. I would like to say in this House that there are many tribes living in that area. There are Turkanas, Pokots, Kikuyus and Samburus. It is important for the Government to find out the culprits. These bandits are not from any particular group or tribe. This is because I remember that the Provincial Administration mentioned that the Samburus - or the pastoralists - around that area were the ones causing insecurity. I would like to deny that in this House; they are not the ones. Even those ones who were arrested last week were not Samburus. There is no Samburu who would move from Baragoi to Rumuruti in order to cause chaos. I think that has to be known by the Office of the President; that, the bandits are not the Samburus living around that area.

Regarding roads, this sector needs a lot of money because it is also a way of opening or assisting the economy to grow in areas where the Government could get some revenues collected, depending on what economic activity the area people are engaged in. I have in mind the road between Maralal and Rumuruti. I am lucky the Minister for Finance and the Minister for Roads and Public Works are with us in this House today. This road was planned a long time ago. Its valuation was carried out and it was to be financed by the African Development Bank. We do not know what happened to that road. It is a major road; it is C-77, leading to Lake Turkana. It is among the tourism spots in Northern Kenya, and it needs to be repaired. Maybe, also, a study has to be carried out on the road. It needs to be tarmacked up to Maralal.

Livestock keepers need dams. Yes, the Government has tried a lot in that regard, but we still have a lot to be done in internal areas of Samburu - that is in Maralal, Loroki and Baragoi divisions, and even further to Nyiro divisions which are the remotest parts of that constituency. Livestock need market in this country. We thank the Government for initiating some programme on how to revive the Kenya Meat Commission (KMC). It will be an important factory, which will be opened soon. The Government should also re-plan, to see if they can expand the livestock marketing sector so that the people who market livestock products all over the country benefit out of them.

Regarding health services, the Government has also done well in many parts of the country. But in the recent months, the Ministry of Health has not dispatched any medical kits even to dispensaries and health centres. It is important this time for the Ministry to be given enough money and acquire medicine for the people in the rural areas because we do not need much. We may even talk about tarmacking of our roads, but I think there are some basic needs for pastoralists which should be given priority, as I had mentioned, like roads, health services and education. We thank the Government which has given us about Kshs600 million as bursary funds in this year's Budget, but it has to be distributed fairly because the poor students are from the pastoral areas of this country. I even think today that the bright children come from the pastoral areas. It is important that this bursary money is given equally to those who need it.

Finally, let me talk a little bit about tourism. There is what we call conservancy; conserving wildlife and forests so that the wildlife could have a better environment in forests. That one gives the country a lot of money. We can think of some conservancies around Laikipia, Isiolo and part of Samburu. I think the county councils in those areas are getting a lot of money; even those around Narok or Trans Mara. It is important for the Government - the Ministry of Tourism and Information - to give the support and ideas to those who have better farms and who live around the forests and in some areas that conservancy could take place, so that they can reap the benefits.

With these few remarks, I support the Budget Speech.

Mr. Manyara: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to comment on this year's Budget Speech. Let me, at the outset, while congratulating the Minister for attempting to do what the previous Ministers have not done, also caution him that he should be wary of too much praise that he has received because of what he is doing because his boss may very well determine to do what he did to the other "Chris." He may not even be in a position to be called the Minister for Finance by the time we finish these deliberations. I say this out of last year's experience, when Mr. Okemo was shuffled in a Cabinet reshuffle in the middle of similar deliberations of the Budget.

So, Mr. Minister, be wary of too much praise, and as you attempt to present to us a Budget, you should always bear in mind that what you are doing is dependent on a hierarchy that is unpredictable and does not perform in accordance with the expectations of the Kenyan people.

This Budget comes at a critical moment in our history. In many ways, it is an uncertain Budget, in the sense that whereas it is the Eighth Parliament that is debating and, hopefully, going to pass it, its implementation is going to depend on this current Parliament and the coming Parliament next year. The intervening period between this Parliament and the next one is critical. There is no Budget, however detailed it is, which does not take into account the transition period in which it is being debated and will be passed, and on which it will have some effect. I say this because the Minister has introduced in his Budget proposals a sum of money for the general election. Therefore, he is telling Kenyans that the Government is committed to conducting a general election this year.

Apart from this sum of money being wholly inadequate in terms of the Electoral Commission of Kenya (ECK) projections, it also comes in the midst of confusion as to whether, in fact, there will be a general election or not. Therefore, whether or not this Budget will have any implications on the people of this land, we need to resolve the uncertainty regarding the general election. I say this because looking at the constitutional provisions, I find that there is an apparent confusion as to when the term of this Parliament ends. There are some people who think that there are two times for ending the life of this Parliament. There are those who believe that it will end on 3rd January, 2003, when the President's term will expire, and those who believe that the life of Parliament will end on 23rd February, 2003, when we were sworn in, including the President as an hon. Member of Parliament.

Mr. Deputy Speaker, Sir, you and I know that Section 30 of our Constitution vests the legislative authority of the country in the President and the National Assembly. Not many people appear to refer to that provision when they talk about extending the life of the Constitution of Kenya Review Commission (CKRC), or the life of the current Parliament. They talk as if we have two dates upon which the life of Parliament will expire. Under our Constitution, a Parliament that does not have a President is wholly ineffective because, first, it cannot originate laws, and secondly, it cannot assent to any law. So, even if we were to pretend that we will be sitting in this House after 4th January, 2003, up to 23rd February, this will be an exercise in futility because we will not be able to pass any law during that period. The law will require to get an assent from the President, and yet the President's term will expire in January, 2003. So, there will be no Parliament in February, 2003.

So, we must be talking about the period between now and the first week of January, 2003, for both the President and the Parliament, which we will be talking to Kenyans about. Therefore, this Budget that we are debating today ought to tell us in most unmistakable terms whether this Kshs4 billion that is intended to cover the cost of the general election, will actually be used or not. Supposing that the general election will not be held; what will the Minister do with the Kshs4 billion? Will he use it to pay the teachers' salary increment? What does he intend to do with the Kshs4 billion? Will this money, be used in ways which were not envisaged by this House? These are critical issues because after 3rd January, 2003, there will no control over how these funds will be used. It will be very dangerous for this House to pass so much money only for us to be told after 3rd January, 2003, that although we passed this money to cover the election cost, we will not have a general election and, therefore, the money will be used in another way which the House, at the time it passed the Budget, had absolutely no indication of. So, it is important that this uncertainty surrounding the issue of whether we will have a general election or not should be resolved.

Mr. Deputy Speaker, Sir, I am not challenging your comments regarding whether the general election will take place, but no hon. Member of Parliament lives in a vacuum. We all live in a country called Kenya, and our conduct in this House must necessarily take into account the feelings of the people out there, whom we represent. It is those people we represent who gave us a five-year mandate. They gave us five years to come to Parliament and make laws, and if we want a fresh mandate, we should go back to them. If they are satisfied that we have done their work, they will extend our mandate.

Mr. Deputy Speaker, Sir, I have done some research on the Constitution of Kenya and I have found out that before 1990, the Constitution had been amended 36 times. This was a major overhaul of the Constitution; it constituted piecemeal amendments to the Constitution. Between 1990 and now, we have had almost another ten constitutional amendments. So, overhauling, amending or introducing new provisions to the Constitution is not something we are doing for the first time. We have been doing it since this country attained Independence. I am not talking just about the Constitution, but about the essence of democracy and the rule of law. I am talking about the certainty of the people of Kenya, that even as we overhaul or amend the Constitution, every five years, the people who gave us the mandate to come to this House will get an opportunity to extend or deny it.

Therefore, for anybody to suggest that because the Constitution permits us to amend it, we can amend it in ways that were never envisaged when we fought for and attained Independence, is cheating himself, and we are not even in a vacuum. Other jurisdictions have tried this. For example, Mrs. Indira Gandhi tried it in India and failed. This is not possible. You cannot amend the basic structure of the way the Government is run. You cannot pretend to the

people of Kenya that introducing new provisions in the Constitution and creating positions in the Government, such as the position of Prime Minister, have no implications to the Budget. These are fundamental changes to the Constitution that have budgetary implications, which must be debated and passed by this House.

Therefore, it is essential that we do not confuse the so-called minimum reforms to the Constitution with the structure of the Government. If there will be any changes in the basic structure of this society, that is a fundamental issue for the people of this country. We should not betray the people of this country by introducing fundamental changes to the Constitution under the guise of minimum reforms to enable a free and fair election, which we have not had for almost the last 38 years, and which we are not guaranteed to have.

Secondly, you will recall that we went through a fair general election when Kenyans were preparing to take over the administration of this country in the 1960s. A new Constitution cannot be in place today, and tomorrow you start implementing it. Who will implement it? Where are the transitional provisions and who has prepared to take over? It does not matter what kind of a Constitution we have. We may have the best Constitution in the world, but if we will pass it on to people who have a self-interest in its implementation, then we will have wasted more money than the billions we have spent so far in the review process. We need a constitutional order that Kenyans are prepared for. We need to know what the transitional provisions for implementing the new Constitution are, and who will implement them. All these issues have budgetary implications, which the Minister did not talk about in this Budget. So, how will we even talk about a general election under a new Constitution before we even know what this means?

We are aware of the burdens and the challenges facing Prof. Ghai's Commission. This House, in its wisdom, told the Commission that:

"Notwithstanding whether there is a request for an extension or not---".

If you look at the objects and objectives for which we passed the Commission's Act, you will find that they are meant to facilitate a free and fair election. If you look at section 26 of the Act, you will find that it is upon the Prof. Ghai Commission itself to come up with recommendations and say:

"We have been touring the country for so many months and we feel that we will not complete the review process within the stipulated time. But assessing the situation in the country, there cannot be a free and fair election. We will not fulfil our mandate unless we make these suggestions".

So, there is no point for the CKRC to say that it is coming to the House to seek an extension of the stipulated time without telling us what extension it is seeking and why. In the meantime, since we envisage a situation where the time extension may not be granted, what has the Commission done to show what it will do, should the House refuse to grant it an extension of time? Are the Commissioners not being manipulated?

We need to tell Kenyans that we are preparing ourselves for the general election at the end of this year. One way of doing so is through having budgetary provisions that will show Kenyans that we are not only prepared for the general election, but are prepared for every eventuality.

Before my time runs out, I want to say that the Minister has spoken well, but you cannot tell any Kenyan that you can balance the Budget without bilateral support and some agreement with the World Bank and the International Monetary Fund (IMF). It is proper that the Minister has not, in his Budget, introduced an element of donor funding, but he was with us in Mombasa and knows what transpired.

With those few remarks, I beg to support.

The Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo): Thank you very much, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to the Budget Speech. I would like to congratulate the Minister for Finance for presenting a focused Budget. This is the only Budget, since Independence, which is home-grown. It is devoid of International Monetary Fund and World Bank funding.

Mr. Deputy Speaker, Sir, one of the most important things with regard to this Budget is that Kenyans should tighten their belts and fight for the wellbeing of this country. We cannot realise economic growth without the necessary human resources to implement sound economic policies in this country. I would also like to congratulate the Minister for Finance because of the measures he has put in place to make sure our economy grows from -0.2 per cent to 1.2 per cent. That is encouraging! We know that we have been having a lot of problems over the last three years because of famine and drought, and this has affected our agricultural sector. But, nevertheless, we know that there are also other aspects, like the low inflation rates and stable rates of exchange, which affect the economy. We know that a country which is trying to create wealth will support its economy, and that is what the Minister for Finance was trying to allude to. One of the most important aspects of the Budget is for the Minister for Finance to embrace what hon. Members have said. If we are going to propose some taxation measures and we do not adhere to them, then the Budget is likely to run into deficit.

Mr. Deputy Speaker, Sir, ours is a developing country and I know that developing countries all over the world depend on foreign aid from the IMF and the World Bank whose officials keep on shifting their goal-posts. Whenever we meet whatever conditionalities they have put in place, they shift to other demands. If this was a game of football,

under such circumstances, there would not be any score whatsoever. That is the game we have been playing since 1991 to date. But we thank God that our economy has not collapsed, and also for the tolerance of Kenyans.

I am convinced that Kenya is a great country. We have realised that this country has got a lot of resources and that is why we have been able to sustain our economy for the last ten years without foreign aid. That has been possible because of the proper leadership of His Excellency the President, who has given this country good leadership by maintaining love, peace and unity among Kenyans. Most countries around us have been having problems. People there have been fighting and killing each other, and that is one issue that has affected this country. There is a high influx of refugees to this country, and they come with illegal weapons which are used for robberies in our cities and the cattle rustling-prone areas of the arid and semi arid areas of this country. Therefore, it is high time that those refugees are repatriated back to their countries by the Government.

Mr. Deputy Speaker, Sir, we need to address the agricultural sector and I hope the reforms which have been undertaken by the Ministry of Agriculture in the coffee, tea and sugar sectors will go a long way towards improving the economy. But despite that, if we do not adhere to the laws we have enacted in this House, we will experience a lot of problems. People are going to jostle around and elect people who are not knowledgeable about those crops. If that happens, we will end up having the same problems. But despite that, it is good for Kenyans to carry out the activities of those productive sectors without depending on foreign experts because Kenyans are very knowledgeable in those aspects.

Mr. Deputy Speaker, Sir, on the issue of water provision, I would like to say that water is life. As we are aware, in most of the arid districts of this country, there is an acute shortage of water. I call upon the Ministry concerned to make sure that we budget enough funds for dams and boreholes to ensure that the pastoralists in those particular areas will have access to water. In those areas, we need to start irrigation schemes so that we can get food to sustain our people. We have realised that the amount of money used to import relief food is enormous, and yet we have got the potential to produce some of those crops under irrigation schemes. If we revive the existing irrigation schemes, we can produce a sufficient amount of food which is required to sustain the livelihood of Kenyans. We know, of course, that a sector like the rice industry has been doing so well, but over the last couple of years, it has ran into problems. Most of those problems are of a managerial nature. Those are some of the aspects which the Ministry is trying to address, so that we can leave the management of those sectors to the farmers themselves.

Mr. Deputy Speaker, Sir, I would also like to talk about infrastructure. Without proper infrastructure, there is nothing which is going to take place. Considering the insufficient tarmac roads and the rural access roads in the country, there is a lot that needs to be done. Therefore, I call upon the Ministry concerned to ensure that most roads are in a motorable condition throughout the country. Those roads will go a long way towards addressing insecurity problems in the rural areas. They will also assist farmers to ferry their farm produce to markets without difficulties. So, every part of the country should get enough resources required for development.

Mr. Deputy Speaker, Sir, the Ministry of Education is getting a lot of money from this Budget. But still, that is not enough. I would like to thank the Government for making sure that there is universal primary education. That will go a long way towards assisting Kenyans, especially those in the rural pastoralist areas. In those areas, cattle rustling is rampant because most of the youths, who are of schooling- going age, are looking after animals. After doing that for a long time, they start raiding other people for cows to pay dowry. Some of those activities end up becoming a security risk in those areas. So, I call upon the Ministry to ensure that the amount allocated, like the Kshs500 million allocated for the purchase of books, is given to those rural areas. The bursary funds should be well-distributed. This money is put in the Budget but it never reaches the rural areas. So, there should be equal distribution of bursary funds so that everybody can benefit.

Mr. Deputy Speaker, Sir, I call upon the Ministry of Energy to ensure that the rural areas get electricity. It is unfortunate that some of our areas, since independence to date, have not received electricity, and yet we expect them to be industrialised by the year 2020. Unless electricity is provided to the rural areas where the potential of industrial growth is high, we shall not achieve our goals as planned. Therefore, I call upon the Ministry of Energy to ensure that more hydro-electric power stations are constructed. They should also try to improve on the existing ones. During the last drought, most of the hydro-electric power stations dried up, but I hope this time, there will be enough power for everyone.

With those remarks, I beg to support.

Mr. Nderitu: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this famous and so-called Budget.

First and foremost, I am perturbed by what I had read in relation to this year's Budget. This is because, firstly, it does not go down to the roots. Secondly, there is no indication of how loopholes of those people who, day-by-day exercise their duties and they excel in stealing from the funds meant to be used in the Budget. I have here with me documents which show and state clearly, the manager of our tax; the person who oversees the collection of our tax, is

involved in "stealing", if I would use that word in this House.

Mr. Deputy Speaker: No, it is unparliamentary! So, you should withdraw it!

Mr. Nderitu: Mr. Deputy Speaker, Sir, I withdraw the word "stealing" and substitute it with "involved in a scam or misappropriation", where Kshs1.3 billion has been lost from the National Hospital Insurance Fund (NHIF) through him and he is the man whom the Minister for Finance is putting in charge of collecting money on behalf of Kenyans.

Mr. Deputy Speaker, Sir, I know it is going to be a surprise to Kenyans. Sometime late last year, and early this year, the NHIF collaborated with Euro Bank and Shah Munge and Partners and withdrew Kshs1.3 billion from the NHIF, and yet that money cannot be found or traced. I will table these documents before this House, which are directly from the clearing house, the Central Bank of Kenya, and the date they were cleared was stamped on them. Could the Minister, first of all, clean his house----

Mr. Deputy Speaker: Mr. Nderitu, what documents are you referring to?

Mr. Nderitu: Mr. Deputy Speaker, Sir, these are cheques, and one is drawn from the Euro Bank and it is payable to Kenya Commercial Bank (KCB), and the rest are drawn from the NHIF and they are payable to Euro Bank. Who are the proprietors of Euro Bank and the Stock Agents Company managed by Shah Munge and Partners? The documents are here, and I am not briefing the House without them.

Mr. Deputy Speaker: I want to see those documents so that I can understand what you are talking about.

Mr. Nderitu: Mr. Deputy Speaker, Sir, I have three copies so, you can have a copy.

(Mr. Nderitu laid the documents on the Table)

The Minister for Science and Technology (Mr. Ndambuki): On a point of order, Mr. Deputy Speaker, Sir. Sometime before we went for recess, the issue of these cheques and the money invested in Euro Bank was brought into this House and it was found that it was properly done and approved. I do not see why the hon. Member is bringing the issue to the House again. Is he in order to bring this issue back to the House again?

Mr. Nderitu: Mr. Deputy Speaker, Sir, I am bringing the issue back to the House again because the same money has been used to buy 157 acres of land from the Department of Defence (DOD). This land is next to Jomo Kenyatta International Airport, where mining is being done there. That is the reason why I have brought it back to the House.

Mr. Deputy Speaker: Mr. Nderitu, but these documents do not disclose any fraud. These are just cheques!

Mr. Nderitu: Mr. Deputy Speaker, Sir, could you wait for me to explain?

Mr. Deputy Speaker: No, I am talking about the documents that you have laid on the Table of the House.

Mr. Nderitu: Mr. Deputy Speaker, Sir, the documents are here and I will indicate what was done; who withdrew this money, where and when---

Mr. Deputy Speaker: Do those documents, in fact, tell you who withdrew the money and whether it was meant for fraudulent purposes?

Mr. Nderitu: Yes, Sir.

Mr. Deputy Speaker: Let me have a look at them.

Mr. Nderitu: The documents I have laid before this House--- The one written by hand shows how the money was withdrawn and the reason why the money was withdrawn---

Mr. Deputy Speaker: Order! Order! That is not admissible! These documents which have been brought to me here do not disclose any offence. What law stops a bank from issuing a cheque, if a client instructs it to do so?

Mr. Nderitu: The cheque was drawn to an individual!

Mr. Deputy Speaker: What is wrong with that?

Mr. Nderitu: Mr. Deputy Speaker, Sir, if you are trying to cover this matter up, you can go ahead and cover it up, but Kenyans will hear it.

Mr. Deputy Speaker: Order! Order! Mr. Nderitu, you do know very well that if you want to lay documents on the Table, they must prove the point you are making. These documents do not prove your point and, therefore, you are merely engaging in rumour mongering, and I will not allow you to do that!

Mr. Nderitu: Mr. Deputy Speaker, Sir, with all due respect---

Mr. Deputy Speaker: I have made a ruling that you should not refer to these documents or lay them on the Table if they do not support the allegation you are making!

Mr. Nderitu: Mr. Deputy Speaker, Sir, I do not want to argue or fight with the Chair, but I think you had better listen to me first, and then see---

Mr. Deputy Speaker: Order! Order! If you want me to allow you to continue on that track, I will be allowing

you to cause damage to individuals who are not here to defend themselves. These documents cannot be laid on the Table to support what you are saying.

Mr. Nderitu: Mr. Deputy Speaker, Sir, besides overruling the laying on the Table of these documents, I will make a follow-up on this matter and I can give you a copy of the title deed of the land I am talking about, and show you who owns that title deed. I can also give you a copy to show that the land was bought by the NHIF at Kshs150 million, while the Ministry of Lands and Settlement was paid only Kshs11 million by the two accomplices.

I can also give the Chair information which I have---

Mr. Deputy Speaker: Let us follow the rules, Mr. Nderitu!

Mr. Nderitu: Excuse me, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No, let us follow the rules. You are making certain allegations and the Chair is telling you that you cannot continue along those lines, unless the documents you have prove your case. You are giving me copies of cheques and no memorandum or anything else attached to them, and you expect me to agree that those photocopies of cheques prove fraud? I am saying that I do not accept it.

Mr. Nderitu: Thank you, Mr. Deputy Speaker, Sir. I will go on with the rest of my contribution to the Budget, but this story will still come up one day.

Mr. Deputy Speaker: If it comes up, I am sure the Auditor-General (Corporations) will deal with it.

Mr. Nderitu: Thank you very much. Also, on this note, I will also hand them over to the Anti-Corruption Police Unit, who will follow it up, and three Ministers from this House will also be arrested for it.

Mr. Deputy Speaker: Please, go ahead and do it!

Mr. Nderitu: Let me go ahead, Mr. Deputy Speaker, Sir. The Budget has not addressed itself fully to the issues of education, farming, informal sector, socio-economic empowerment and how all people will be uplifted. Looking at it, much of this year's Budget is meant to raise funds for Ministerial Departments and offices to pay salaries. If you go through this Budget, you will not notice anything substantial which is meant to assist our society at large. This Budget targets telephone users. If Kenyans do not use telephones, for example, irrigation will never be improved in this country.

Mr. Deputy Speaker, Sir, today, electricity is one of the most important elements to the community. However, in this Budget, we have only allocated a paltry Kshs200 million to the rural electrification programme. How many villages will get electricity? If to get a power pole to a house within a locality where there is power, you are required to pay Kshs200,000; to have a three-phase power supply to a water pump today, you get a quotation of Kshs1.4 million from KPLC; how many people will be served with electricity during this financial year? What can Kshs200 million do? I think the Minister would have allocated Kshs2 billion to the rural electrification programme so that most parts of this country will be served with electricity. Besides that, we are talking about supplying electricity to our people; how much power are our hydro-electric stations and other stations producing? So, how much power can we supply to our people?

Mr. Deputy Speaker: Mr. Nderitu, although your time is up, I will give you two more minutes to compensate you for the time you spent arguing with me.

Mr. Nderitu: Mr. Deputy Speaker, Sir, thank you very much for being mindful. I am glad you spent two minutes of my time arguing with me. But I accept your offer.

Mr. Deputy Speaker, Sir, as I said, the KPLC will give you a quotation of Kshs1.3 million for poles and switches, but by the end of the day, they still own these poles and switches. I would urge the Minister for Finance and the Minister for Energy to sit together and discuss this issue. It is not fair for one to pay for poles and cables, but by the end of the day, they become property of the KPLC. I think we should come up with a policy to change the rules. We should also review the KPLC Act. Maybe, that is the reason why the private sector does not participate in the rural electrification programme in this country.

Mr. Deputy Speaker, Sir, although the Budget does not include the donor component, I think it should have been a well thought-out entity because it is supposed to serve the community. What do we have for the jua kali artisans in this Budget? What do we have for the young graduates from colleges and universities? What does this Budget provide for the single mothers, for the old and sick people who cannot afford an insurance policy? How much has this Government set aside for the sick and yet they cannot pay medical fees, but they still require medical services? What does this Budget have for training? We are in a computer era. Our teachers, doctors and other professionals need to be trained in modern technology so that they can fit in the new world order. In fact, the Minister would have set aside so much money for our people in modern technology.

Mr. Deputy Speaker, Sir, thank you once again for giving me those extra two minutes. With those few words, I beg to support.

The Minister for Science and Technology (Mr. Ndambuki): Mr. Deputy Speaker, Sir, thank you for giving

me this opportunity to contributed to this Motion.

First, I would like to congratulate the Minister for Finance for coming up with such a Budget at a time like this. We know this Budget has no donor component in it. It is purely based on our own revenue. It is really something which we thank and congratulate the Minister for. I think this is real budgeting rather than assumption budgeting because we are marrying the resources at our disposal against our needs. This is a Budget which has been prepared using the bottom-up approach, instead of the up-bottom approach. All districts contributed to its preparation and they have identified their needs. This is what has been really taken up in this Budget. It has taken care of the poor. We know we do not have enough funds to cater for all needs of various communities.

Mr. Deputy Speaker, Sir, our economy is very strong. If our economy can afford out-flows up to a tune of Kshs39 billion every year without an in-flow from external sources, then, seriously, it must be very strong. We need to strengthen our agriculture because our economy is agro-based. We need to give more incentives to farmers. If elections will not be held within this year, I suggest the money allocated for elections be channelled to the agricultural sector. Let us give our farmers some incentives so that they can have motivation to do farming. Many of them are disillusioned and they have abandoned farming activities. For instance, most of us depend on maize. However, many farmers are not ready to plant it in the next season. Why? It is purely because of poor prices.

Mr. Deputy Speaker, Sir, I would like to comment on the education sector in this country. I know many people will say the education sector takes a big chunk of our Budget. This is true. However, we have done well in primary and secondary schools. If you look at the number of our children who reach Standard Eight and those who join secondary schools, you will see that the number is very small. The number of students who qualify to join colleges and universities is so small compared to the candidates who sat for examinations. It is time we came up with tertiary courses. We should start a polytechnic in almost every district to cater for pupils who do not proceed to secondary schools or universities. We have many young Kenyans who need to be trained. However, because of limited vacancies in our colleges and universities, we cannot absorb all of them. We need to put more money into education by starting tertiary courses to our young people. If we continue with the current trend, there will be many young Kenyans out there who will not be well trained. Tertiary courses will cater for those young Kenyans who do not go to colleges and universities. By so doing, we will be well prepared to embrace industrialisation by the year 2020. Without having these middle cadre colleges to train electricians, masons and builders, we will never achieve our dream of being industrialised by the year 2020.

I would like to urge the Minister to allocate more money to the education sector so that we can train our technical teachers because some of them have been teaching for the last 20 years, and there are a lot of changes in this field. We need to take them for in-service courses so that they can get proper education on technology because technology changes very fast.

Mr. Deputy Speaker, Sir, as far as roads are concerned, I would like to thank the Minister for allocating each constituency some money to rehabilitate its roads. For example, in Kaiti, we have done so many roads manually because we do not have a grader. However, I would like to ask the Minister to increase the amount allocated to our roads because we hire people to do our roads manually at Kshs132. This is really a paltry amount of money compared to the needs of our people. I would like to appeal to the Minister to think of increasing it to Kshs200 per day. This will enable our people to get some money to take their children to school.

Mr. Deputy Speaker, Sir, in the Budget, the Minister for Finance has set up a fund for water. There are over 20 rivers which pass through Ukambani, and they take a lot of water to the Indian Ocean. I would like to see some of these rivers dammed, so that we can have water for domestic use and irrigation. This will really help the people of Ukambani. The famine we face every year could be reduced by half if we had all these rivers dammed. Money allocated to the fund should also be increased because it is not enough compared to the needy regions. We need to put a lot of effort in harnessing this water because with availability of water, we can alleviate poverty, for example, through irrigation farming.

Mr. Deputy Speaker, Sir, the Minister also set up the Rural Electrification Fund. It is only 10 per cent of our population that has access to electricity. We should increase funds to this Fund, because if we had electricity in every urban centre, it would assist a large number of people to start *jua kali* projects and enable our youth to be self-employed.

With regard to agriculture, the Minister has tried to give a number of incentives for cotton growing, although this is not enough. We would like to see more incentives being given in the cotton industry. In Ukambani, for example, we do not have any cash crop. We only grow maize, but we would like to see cotton become a cash crop of Ukambani. There should be more incentives, for example, provision of credit to farmers in order for them to engage in cotton farming. Cotton ginneries should also be put up in order to buy the cotton from the farmers.

Mr. Deputy Speaker, Sir, as I said from the beginning, our economy is purely dependent on agriculture. We need to put a lot of effort towards agricultural production. For example, the previous rain is the one making us barely

live, but if we had a famine in our type of economy, we would have a lot of problems. We would like to encourage the Minister to give more incentives to the farmers so that they can continue to be productive.

We also need to build some confidence in our investors. A long time ago, we used to have incentives, for example, putting up factories in the rural areas. All this has stopped. We should create some incentives and talk with one voice in order to woo foreign investors. If we keep on arguing and fighting, we shall not achieve anything meaningful. We should talk with one voice when it comes to national matters of this nation.

Mr. Deputy Speaker, Sir, with regard to the Constitution review exercise, we wasted a lot of time--

I beg to support.

Mr. Keynan: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute on the Budget. First of all, I would like to congratulate the Minister for having come up with a slightly different Budget this year.

[Mr. Deputy Speaker left the Chair]

[The Temporary Deputy Speaker

(Mr. Manyara) took the Chair]

Mr. Temporary Deputy Speaker, Sir, for the first time, the interests of the marginalised communities have been taken into consideration. However, we have a few concerns, for example, the issue of KMC has been recurring for the last few years. This time round, we would like it to be a reality. I would like to inform the Minister for Finance the issue of reviving KMC has given us a lot of headache. I am glad Mr. Kalonzo is sitting next to the Minister since this issue also affects him. We would like the issue of reviving KMC to be translated into action. You can recall that over the last four years, the issue of reviving KMC has always been appearing in the Budget, yet there is nothing to show about it. I would like to make two suggestions, and this is where the problem is. I know the Ministry of Finance has money for the revival of KMC, but the problem is that the holding ground has been grabbed by a few selfish individuals.

I would like the Minister to own up to this issue; that since there is no land, and he does not want the KMC to operate in the air, we will offer plenty of land in Wajir. I know the former holding ground for KMC at Athi River has been grabbed by the former Chief of General Staff, Gen. Mulinge and others. Since this is our only hope, I would like to challenge him to look for land elsewhere, either in Mwingi, Garissa, Wajir or Isiolo, where there is plenty of land, so that we do not waste a lot of resources. Year in, year out, the issue of reviving KMC is repeated, and yet we do not see anything on the ground. I know there is a Paper for discussion in this House on KMC, and I would like to challenge the Leader of Government Business to make sure it comes for debate.

Mr. Temporary Deputy Speaker, Sir, the issue of the girl child has been emphasised in the Budget. This is a very important issue, especially for the marginalised communities. I hope it is not going to be like the Bursary Fund which is given by the Ministry. The objective of the Bursary Fund is to take care of children in marginalised communities, and yet it is being given out to the whole Kenyan population. Even those who already have and do not need bursaries are being given. This concept should be changed. Bursary is required for the marginalised communities in Wajir, Mandera, Garissa, Lodwar and Turkana, and not Nyandarua, Nyeri, Eldoret and Embu where the chunk of money goes.

Mr. Temporary Deputy Speaker, Sir, with regard to roads - I am glad the Minister for Roads and Public Works is here - children in Wajir have never seen tarmac. They only know tarmac as a black substance found in "down Kenya". I know it is possible to tarmac roads in Wajir, only that the Government does not want to commit resources. I know the Kuwait Fund is ready to tarmac the road from Garissa to Mandera and Wajir. I also know that the Arab Fund is also prepared to tarmac the road. We would like the Ministry to take up that challenge and approach those organizations or donors, so that we can also benefit. In this new millennium, I cannot imagine the people of North Eastern Province not seeing tarmac again.

Mr. Temporary Deputy Speaker, Sir, insecurity in North Eastern Kenya has gone down because of a hero called Muhamud Salleh, who I would call an "angel". He has done very well to contain insecurity in the region within a year. I will not say that he is an angel, but he has done so well that insecurity is no more. He has done this just within a year. He has applied home-grown solutions, and we no longer hear about bandits. Insecurity, which used to be reported in a section of the Press is no more. This is the time when we are yawning for development. I am glad that for the first time, there is a provision for water, electrification, culture, education and the Kenya Meat Commission (KMC). We would like the Minister to translate the proposals in the Budget Speech into reality. This is because we have heard him and the applause is all over. But if at the end of this financial year, there will be nothing on the ground, then I can assure him that he will also be haunted.

Mr. Temporary Deputy Speaker, Sir, the Ministry of Finance and Planning has allocated close to Kshs600

million for the sinking of boreholes and dams, especially in marginalised areas. I hope that what happened in the last Budget will not happen again. This is because a similar figure was provided, but up to now, the few boreholes which were sunk have not been equipped. I would like the Minister to ensure that those boreholes are equipped because if they are not equipped, then their sinking will be a waste of resources. I have two boreholes which were sunk in my constituency, and yet they have not been equipped. That is like a plunder of our resources.

I do not want to talk about electricity because in our case, it does not exist. I hope that the Minister will be a gentleman enough to ensure that electricity is supplied to Wajir West through the Rural Electrification Programme, so that the area residents can use it. This is because these residents have never had it.

Finally, there is one issue that I would like to comment on. There is a crisis in the constitutional review process. We, the leaders of Kenya, should own up and speak the truth. This is because we are not saying the truth. We have been elected to provide good leadership and not to lie to the Kenyan public. Realities are different from ideal things. We should respond to this because the qualities of a good leader should enable him to respond positively to situations. A good leader should not lie to the Kenyan public and mislead people just because of his or her selfish interests. This is the time when Kenyans require proper guidance. As the Chair can see, there is a crisis. There are two extremes. There are those people who are saying that there should be no extension of both the time for the constitutional review process and Parliament, and those people who are for the extension.

Three years ago, on this side of the House, where I am, the slogan was: "no reforms, no elections". What happened to my colleagues? Where are they? What happened to that slogan? Is the same Constitution not in place? That sheer hypocrisy will not be accepted. I would like to inform this House that Kenyans out there are intelligent.

The other time, when the President said that even Wanjiku cannot review the Constitution, all sorts of noise were made. But that is the reality; we are the ones who opted for a people-driven review of the Constitution.

(Applause)

There was a time when we said that let this document be a product of professionals and Parliament, but this proposal was rejected. Right now, I want nothing short of the recommendations of the people I represent in Parliament. These people should give their views to the Commission, get civic education, and in order for them to do that, they require more time. There is nothing which can change that reality.

For the few of us who want to take Kenyans for a ride, this time round, they will do it alone. I spend a lot of time in the streets of Nairobi, and I know that Kenyans want the truth. We have complained about the discrepancies in the current Constitution. I would like to go on record that the people of North Eastern Province have been colonised. After the colonists left Kenya, they left us with a Constitution which colonised us. We are not prepared at all to continue with the same document, which has been used to rape our girls, marginalise us and do all sorts of evil to our people, and yet our eyes are open.

So, this is the time for reality and not for trivialities. The reality is, could we sit down as leaders of this nation and compromise? I would like to condemn those hon. Members who sign a document and then the following day, they change their mind. This is the case, especially for those hon. Members who were in the Parliamentary Select Committee. These hon. Members cannot be leaders because they were there; signed a document and the following day they changed their minds. You have been elected to provide leadership and not just to respond to situations, just because you panic, or just because one or two politicians here have threatened you. That is not the way to go to State House, nor is it the way to become the next President. You will become the next President after you have convinced every Kenyan from every corner of this country. This is not something that you just pick from your pocket and say that you will manage.

This is the time for saying the truth. Nothing short of the truth will convince Kenyans. I am saying this because a document is being circulated here for signing by those hon. Members who would like to oppose a Bill which will be brought before the House for extension of the term of Parliament. These hon. Members are not telling us why they are doing this. On the other hand, others are issuing statements from the Kenyatta International Conference Centre (KICC) without telling us why they are doing this. Could we respond to this crisis, or there will be a time when we will have drifted into a lot of confusion? Right now, we are taking the situation as a joke. We will start looking for a country called "Kenya" in the middle of the confusion. That is not what we want. Let us compose ourselves.

There are three things which are at play. There is need for constitutional change, and I know it; there is need for an early exit because most of the guys on this side want the current Government out of office. Thirdly, there is the issue of Parliament's term being extended. Could we sit down and reconcile these three important factors, because that is the only way we can have a country?

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

The Minister for Tourism and Information (Mr. Musyoka): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to say a few words in support of the budgetary proposals by my very good friend, the Minister for Finance, Mr. Obure. One cannot help but empathise with what Mr. Keynan has just said. Since I am a Member of the Parliamentary Select Committee which deals with the review of our Constitution, I will reserve my comments until debate is open. I hope that the Motion on this matter will be brought to this Chamber as soon as possible, since the review of our Constitution is the event of the day. Again, it is important that the House Business Committee brings this matter expeditiously before this House. Listening to Mr. Keynan, it is obvious that we would like to do justice to this matter so that the emotions in the country can be soothed for purposes of national stability.

May I take this opportunity to congratulate the Minister for Finance, for having brought before this House, and nation, a very good Budget. As many of my colleagues have said, he has done so against a background of economic hardship brought about not by Kenyans, but by other agents who are supposed to work with us. We hope that our development partners will borrow a leaf from what the Minister has done in the absence, for instance, of provision of fast disbursing aid. The Minister has got this country running. This is because without us approving the Recurrent and Development Expenditures, we know that this country will literally come to a standstill.

I know that Mr. Obure is a Minister who listens. I am saying this from past experience. This is because I have gone to him twice with stakeholders in the Ministry of Tourism and Information and he has listened. When Mr. Obure listens, he does not do this alone, but comes with his entire team, which takes important notes. I am very happy, as the Minister for Tourism and Information, because out of this year's annual Estimates, at least, the Minister for Finance gave good news to stakeholders in the tourism industry when he said that it was time for us to refurbish our hotels. He also said that it was time for us to give tourism the primacy of place that it obviously requires. It is our considered opinion that we can generate a lot of funds within the next two years for the Minister, so much that he may not even need to go overboard to negotiate with our development partners. This is because a country like South Africa is not on programme aid with the International Monetary Fund (IMF), and yet it gets along well. That is the reason why it exports a lot of products to the continent. It does so to the extent that we, in the region, for instance, do feel that we have been importing a lot of South African wine. When we scream, we can do so from the East African Community point of view. The Ministry of Trade and Industry can also try and put in place a mechanism to check the imports from South Africa.

Mr. Temporary Deputy Speaker, Sir, it is clear that this country has got a resilient economy, and I do not want to name other countries here, but we know that if it was other countries, probably, they would have gone down the drain. But because of the resilience of the Kenyan economy, we have been able to get along. Therefore, I congratulate Mr. Obure for having done a marvellous job. In fact, within the short time he has been at the Treasury, I can tell you that this country has been warming up to a Minister for Finance who is completely committed to the responsibility that has been bestowed on him by His Excellency the President and the country. I think the President is fully behind the Minister. I could see that when the Minister was reading this year's Budget.

May I also recognise the fact that, through this year's Budget, the cotton farmers are celebrating. We hope that they will be able to take on the challenge, just like I call on the hotel and restaurant owners to take the challenge and refurbish them. When tour operators go to Mombasa, for instance, and want to sign new contracts--- When we go to the Berlin Conference or the London WTM Conference, many tour operators look up to the quality of the establishments. Where it is found wanting, the country is not short of options. Certainly, visitors to any part of the world today are not short of options that they can take. Although, mercifully, following the happenings of September 11th, this region has since been focused on; it is seen as a safe tourist destination, and the Indian Ocean rim countries in particular, obviously, this country is geared towards gaining more from tourism.

We are not necessarily saying that we should go for mass tourism. That can be destructive even to our environment. We are saying that we can go for quality tourism. We can combine that with eco-tourism, which is the in-thing in the world today. We do have what it takes to make this country continue to be the premier destination for tourism.

Mr. Temporary Deputy Speaker, Sir, once again, I would like to thank the Minister, while challenging the stakeholders to take up that challenge. They should be able to renovate as fast as they can, in order to improve tourist products. I would like to congratulate the people of Laikipia, in particular, because they have come up with a concept that is clearly a world-beater. Ordinary people have been able to own their own lodges and employ their own people. I was so impressed to see a group ranch owned by ordinary Maasai men and women, running their own thing, and bringing in so much economic benefit to this country. I congratulate them, and particularly the Speaker himself, Mr. Francis ole Kaparo, who has been at the helm of that wonderful initiative. I think there is a lot that this country could learn from each other.

I would like to say that cotton farmers should also take full advantage of the African Growth and Opportunity Act (AGOA) that was signed into law by President Bill Clinton, before he left office. That is an avenue for growth. I

also want to thank the Minister for giving priority to provision of clean drinking water. My own constituency stands to benefit out of the support that the Italian Government bilaterally continues to give this country, by way of the Kiambere-Mwingi Water Project Phase II, which I realise has got an allocation of Kshs300 million. The Minister for Water Development, Mr. Ng'eny, is also very clear about it. The way forward is to dig more dams, so that our people and livestock would continue to have water.

Mr. Temporary Deputy Speaker, Sir, may I also take this opportunity to congratulate the Minister because I heard my learned friend on the other side of the House say that the Minister did not address the informal sector. I wonder what he would call the Minister's very elaborate provision of resources by way of micro-finance to women groups and other disadvantaged groups. The Government has continued to be very serious when it comes to the encouragement of the informal sector. That is because it realises that, through the informal sector, we are able to create many jobs for our people. This country, particularly our youth from our learning institutions are out there looking for job opportunities. The Minister is clearly targeting them when he makes provisions for micro-financing. I think it should go a step forward where the banking fraternity should make provision for easy credit without necessarily insisting on serious collateral securities. That has been the impediment.

I come from a district where we can count the number of title deeds that we have. The Kenya Commercial Bank (KCB) operating at Mwingi is like a collection centre. The money that it collects is brought to Nairobi and people from Kabete, for instance, borrow because they have title deeds. I think there is need to look seriously into the matter of banks not insisting on collateral securities. Every other week, I have in my office, young graduates, some with Bachelor of Commerce degrees, looking for employment opportunities. With a little assistance from banks, they will be able to create projects that will be self-sustaining, and that would create employment opportunities. Therefore, the Jua Kali sector has been given some serious support by the Minister for Finance. Beyond that, as I said, I reserve my comments on the question of the review of the Constitution.

Thank you very much.

Mr. Wamae: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech. I do realise that it was not a simple Budget to prepare, because of the situation that we are in. But it is a situation that we have been put in by the KANU Government. The fact that they have allowed corruption to continue; the fact that they have been unable to contain corruption; the fact that they have been unable to fulfil donor conditionalities, are the reasons why we are having a Budget without donor support. It is not something to congratulate ourselves about; that, because we do not have any donor support, and the Minister has been able to balance the Budget deficit--- There is a big deficit of Kshs32 billion, which he is trying to balance through local borrowing. You are borrowing locally to take the money from the private sector. The private sector is the engine of growth. If the engine of growth has no money, how are we going to have growth in this country? We know that we do need donor finance to prevent the Government from large domestic borrowing. You are going to borrow Kshs32 billion. You are also going to roll over Treasury Bills of about Kshs36 billion which are going to mature. So, in actual fact, you are borrowing over Kshs68 billion, which, in fact, is nearly 9 per cent of your Gross Domestic Product (GDP). That is very high!

Mr. Temporary Deputy Speaker, Sir, we need to think about education very seriously. We would have liked the Minister to provide Kshs2.4 billion in the Budget to give free primary education. We passed the Children Bill the other day, and said that it is the responsibility of the Government and parents to ensure that our children have eight years of education. But I do not see anything in this Budget to implement that. In fact, in my constituency, we are not as bad. We have coffee, tea, horticulture and other products. What about the semi-arid and arid areas? How do you expect them to raise money to buy desks, pay watchmen and run primary schools? If Uganda can give free primary education, are you telling us that we are too poor to give free primary education in Kenya? We need only Kshs2.4 billion.

I am going to show the Minister where he can get that money from. We are not at war with anybody. So, we do not need Kshs14 billion for our defence forces. Cut Kshs2 billion from there and nothing will happen! Then, go to the National Security Intelligence Services (NSIS). They have Kshs3 billion. Cut Kshs500 million from there and put it into free primary education. That way, you will be able to satisfy something which is very important. If you do not give free primary education to our people, particularly in arid and semi-arid areas, how are you improving their future? We are not serious! They cannot even build schools. Most of those people are on famine relief and you expect them to raise money to run primary education! I think we have gone the wrong way, and I hope the Minister will find a way, during the Supplementary Estimates, of doing something about this. There is no use for the Head of State to announce that we are going to have free education without providing any money in the Estimates. Empty words do not help us. We want action. The issue of teachers' salaries needs to be looked into. We cannot hide away from it. The KANU Government was very careless in 1997 in signing an agreement which they knew they could not honour, because they needed the votes. They should now honour part of that agreement for the benefit of teachers.

Mr. Temporary Deputy Speaker, Sir, we, on this side of the House and many other Members from the other side, have said that we do not want the extension of the life of Parliament. We have said this for the simple reason that we have a five-year contract and when this contract expires, let us go back to the people and seek a new mandate. I know it is very tempting to say that the Constitution of Kenya Review Commission (CKRC) cannot finish its work, but if it is pressed and does a little reduction of a certain period, like the tentative review of the draft Constitution, it can finish this December without extending the life of Parliament. This country is not in a mood for the extension of the life of Parliament.

Mr. Temporary Deputy Speaker, Sir, the other point I would like to mention is that I have never sat anywhere where we discussed about the increase of the salaries or allowances of Members of Parliament. Now, both the electronic and print media are condemning all of us, that we are sitting here just to increase our salaries. We never sat anywhere to say that there should be any adjustment in the salaries. So, I hope that when the Minister comes to reply, he will say that we have not sat down and agreed to increase our salaries. Some of these people in the Press are just taking figures and using them to browbeat Parliamentarians at a time when poverty is being experienced by all Kenyans, and there is a lot of agitation against Members of Parliament of both sides of the House. This is one matter on which we should be united because we are all being fought by the Press, that we are irresponsible because we are just busy increasing our salaries instead of looking at the interests of wananchi. If there has been any increase by the Minister, please, use that money on free education. I will prefer that, than receiving that money under the present problems. Let us remove that from the Budget because it is not worth the condemnation and shouting that we are receiving from Kenyans and the public as a whole. It is not worth the effort.

Mr. Temporary Deputy Speaker, Sir, the other point I would like to mention is that we are now heading for elections. Every time we go for elections there are clashes and people die. Somebody said here that we are an island of peace. We are not an island of peace. When people died in Molo, we were not an island of peace. When people died in Likoni and we lost our tourism earnings, we were not an island of peace. We hope this Government is not going to start clashes again, now that we are heading for elections. Part of the clashes have started in Laikipia where our people have died. We have provided enough money for security. Let people sleep in peace and that we are not going to have an excuse because of elections to start clashes. We must protect the lives and property of our people everywhere. That is the responsibility of the Government. Although this is the last time this Government is going to be in power, it should ensure that, that is done.

Mr. Temporary Deputy Speaker, Sir, on the question of water, the Water and Pipeline Board should be abolished. This Board took over water in my constituency. They are very busy collecting Kshs250 from each household, but there is no water in the pipes. Although they collect this money, they do not repair any pipes. This Board is useless. Could we be given this service back since we can manage it ourselves by creating our own committees in our constituencies, than having this Board managing our water? I think that is something we would like to see. Let us take the responsibility from that Board because it is not helping in providing water for our people.

Mr. Temporary Deputy Speaker, Sir, tourism is very important and we can go very far by getting a lot of resources from tourism at a very little cost. Most of the infrastructure is in place, and I am glad the Minister provided money for refurbishment. However, we need security. With a little insecurity, tourism will disappear. We can get so much money from tourism at a very little cost and, therefore, it is important that this area is looked at very seriously. We should explore the possibilities of opening Western Kenya to tourism, and there is still a lot of other scope of eco-tourism in other parts of the country which can help our people.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance did not mention anything about the Kenya Roads Board. Could he come and tell us what happened to the 24 per cent of the Kshs8 billion of the Kenya Roads Board money which was supposed to be taken to the districts? That money has not come to our districts. Where is this money? Where has this money gone to? The money was removed from KRA and went somewhere. It did not come to our districts except the constituency money. We want to know where this money is.

Mr. Kihoro: It is under pending bills!

Mr. Wamae: Pending bills by whom? These pending bills are fake. Pending bills are used as a way of giving people some money by increasing interest rates. I am glad the Minister for Roads and Public Works is here. This is a very serious matter. This question of pending bills needs to be looked into. It is a way of defrauding this Government by increasing interest rates on jobs that were done somewhere and some were not even done and continued to accumulate pending bills. I thought these pending bills should have been settled some years ago, but they are still being reflected in our books. It is a disgrace that this should continue.

Mr. Temporary Deputy Speaker, Sir, on industrialisation, the Minister did well to reduce duty on imported raw materials. That is very welcome. However, could the Minister now also consider using domestically acquired raw materials or intermediate raw materials for our industry? This one will also need to be zero-rated so that we do not encourage importation of raw materials which we can acquire locally because they are not duty-free. If he can do that,

we shall be able to help our industrialisation exercise which, as you know, is in a very serious situation.

Mr. Temporary Deputy Speaker, Sir, on micro-finance, let us give more supervisory powers to co-operative societies. They have become very important to us, even in the rural areas. We need more money for supervision of these co-operative societies so that they can continue providing the services.

With these few remarks, I support the Budget.

Mr. Ayoki: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to talk about the Budget. I would like to congratulate the Minister for the Budget which he presented here. However, I would like to call upon the Government to curb corruption. This is because without corruption being curbed, there is no way the money will be used in the areas where it was allocated. Corruption is the major problem which is creating havoc to our development efforts. In addition to corruption, efforts should be made to collect non-performing loans so that we could have enough funds to go around for those people who need them.

Mr. Temporary Deputy Speaker, Sir, if you look at the galleries up there, you can see quite a number of school-going children. There is an equal number of children who are languishing in our streets. Something should be done to assist street children. In fact, some speakers here have recommended that some money should be deducted from certain areas to cater for free education. I would go further and recommend that if such money is deducted, it should be used to make some special preparations for the street children. This is because they are there and since they are not our children, we do not care. These children are the future manpower, and we need them also in the development of our country. So, I would recommend that the Government should take some initiative to allocate some land somewhere in these vast national parks or forests to build special schools to train these children, so that when they come out of that place they can also get some employment instead of watching them getting ruined. Before that is done, I would recommend that some special feeding centres should be established in our cities and towns where these street children can get their meals instead of depending on rubbish pits to get their breakfast and other meals for the day. So, something should be done to show concern about these street children.

Mr. Temporary Deputy Speaker, Sir, we have talked about water. We need water in our constituencies. We need also to make dams. I believe the Budget provided funds for water development, and that should be looked into very carefully, particularly in arid areas. Where there are no rivers passing, some dams should be made so that the animals and the people can also get some water. Mr. Temporary Deputy Speaker, Sir, the health problem is still with us in our rural areas. Hospitals and dispensaries are not enough to cater for the sick, and cost-sharing is really a burden to most people in the countryside. They have no means of getting money to pay for the services they need. The Minister should find ways of supplying these health centres with adequate medicine so that the people out there can also get health services.

We have talked about roads, here and some Members have queried what happened to the funds which were collected. We are having problems with certain roads in the rural areas. I would recommend that the money put aside for roads particularly for the feeder roads, the unemployed youth in the countryside should be given the opportunity to make these roads so that they can get some sort of employment, instead of robbing people or involving themselves in unlawful acts. I am appealing to the Minister for Roads and Public Works to repair urgently, the Busia-Kisumu Road; between Maseno and Chulaimbo. The road was contracted to a certain contractor who ploughed it and left it bare. There is a lot of dust when the vehicles are passing and the people in the area are really suffering because of the dust. If money has been allocated to repair this road, that should be done immediately because the people are suffering.

Mr. Temporary Deputy Speaker, Sir, we are very grateful that some consideration has been given to the cotton growers in our area. The people out there do not have the means even to till the land. So, some sort of soft loan could be arranged so that they can get some money to hire tractors and buy some seed and prepare the land in good time. The cotton industry died in the area and to revive it, we need to facilitate the people and also encourage them to grow more cotton.

Mr. Temporary Deputy Speaker, Sir, there is a lot of unemployment in the country, especially in the rural areas. There are several high school leavers who are roaming about in the countryside. If some projects or industries could be started in the rural areas, these will create some employment opportunities for the youth there.

Mr. Temporary Deputy Speaker, Sir, the Budget did not say much about the education of children who drop out of school before completing primary education. The training is geared towards those who have completed Standard VIII, Form IV and colleges. But there are quite a number of pupils who drop out of school after completing, maybe, Standard I or II, because of death in the families, or lack of fees because the parents are not able.

With those few remarks, I beg to support.

Mr. Shidiye: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this debate. The Budget moved by the Minister was a bit different from the previous Budgets we used to have because it had a different style and approach. I want to congratulate the Minister for bringing a Budget which is different. I think he combined a bit of his soccer tactics, because he used to be a player. I am told he used to play for

Harambee Stars. I believe that Budget will help this country. This Budget is a departure from what we used to have, and that means a lot to us. This country is faced with a lot of problems. We have poverty which is engulfing this country. Eighty per cent of Kenyans live below the poverty line. We are experiencing what is called tyranny of poverty in the real sense. I say so because 70 per cent of Kenyan youths are not employed. Today if you walk through this City or any other market in this country, you will realise how Kenyans are suffering. It really pains us, Members of Parliament, when they approach us or knock at any door, looking for the slightest opportunity. The youths in this country are really desperate in the sense that the Government which is the biggest employer, is no longer employing them. The private sector which used to employ them is no longer doing so. They are retrenching their staff.

I believe that if the economy was creating wealth, this country would be different today. If we are not creating wealth or improving the lives and welfare of Kenyans, then we have no business leading this country. Kenyans are investing a lot of money in education. Education has now become a means of exploitation because when you invest so much in it and you harvest nothing in return, you feel that you do not deserve it. You will realise that people are taking their children to private schools where some pay Kshs150,000 per term. I do not know what kind of education they are offering in those schools. The highest expense that every Kenyan family incurs is on education, yet when these youths graduate, none of them can get jobs.

In the Budget, I must say, there is some violation of priorities. Why is it possible for us to pump water, oil or petroleum products all the way from Mombasa, to Kisumu and Eldoret, and yet we cannot pump water from Garissa, which is the headquarters of Northern Kenya, to Mandera? Water is life. It is the most valuable item. Where are we heading? We must look at our priorities. We must see what we can do for this country. That is why I have been saying all along that we need to adopt a federal system of governance in this country. If you look at the Budget this year, you will note that it has been prepared in a centralised manner, such that somebody here in Nairobi decides what is good for the people in Northern Kenya or Central Province. Somebody will decide to send 10 doctors or district forest officers to a place where they are not required. You will find district fisheries officers being sent to Wajir where there are no ponds. That is the violation of priorities that we are talking about in this country.

Our major priority in Northern Kenya is water. We do not have water. In a country like Zimbabwe there is dam or borehole every five kilometres. Do we have a similar situation here? I was happy when the Minister added tax on the price of kerosene, and at the same time said that, that money is for harvesting of water. Can we take the Minister seriously because that money might not reach those people? The Kshs600 million we are talking about might not reach the people of Northern Kenya. So, what business are we doing? We see very good figures in the Budget, but are they practical? Will we deliver this at the village level?

I am happy that the Minister said he will not depend on donor funding. We must be able to live within our means. If we had said enough is enough, from the time when these people started messing up our economy, Kenya would be different today. We cannot continue begging for aid from the IMF and the World Bank when we know that we can change our economy and that the mess in this country is of our own making. Even money that has been sent has not been utilised. At one time, DANIDA wanted to pump Kshs600 million into some projects, but the Government was unable to use the money. Therefore, most of the money went back to them.

We are very keen on the Constitution. Let us not be hypocritical about this issue. There are no two ways about it. Zambia made the same mistake when President Chiluba thought that he could change things. Today he is in a desperate position. I say so because the people who are now saying that they want elections are the same ones who were previously chanting: "No reforms, no elections." Today they are telling us that they want snap elections. Even if they were elected, that Constitution will pose the biggest problem later on because when you leave and you want to change it, people will tell you, "No, this is the Constitution you wanted." The biggest problem in this country is the Constitution. Are we prepared for a new President or a new Constitution? I think we are prepared for a new Constitution. Kenya has spent a lot of money and time on this Constitution.

The President has been talking about the Constitution from 1995. This is the eighth year we are talking about the Constitution and we must make sure that we finish drafting the new Constitution. Even if new Members are elected to the House, this will not bring any change. We have seen turnovers. I was here in the last Parliament, and 80 per cent of KANU Members did not come back to the House. The new ones who came never made any change. When the Opposition Members go others will come. We are not here to fill our bellies. We are here to make a fundamental change in this country. The people who are crying that they want elections were the first ones to demonstrate for a new Constitution.

Mr. Maundu: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am wondering why there is only one hon. Member on the Opposition Benches?

Mr. Shidiye: Mr. Temporary Deputy Speaker, Sir, I think they are busy signing some documents. I know for sure that despite all those signatures being collected, when that Motion comes here, 90 per cent of the Opposition MPs will support it deep in their hearts. Some people are playing the politics of brinkmanship; that is a public relations

gimmick. They are pulling political stunts. They want to look colourful and address the public. It is called the politics of exhibition. They want to show off that they are brave. That kind of politics has no place in this country. That kind of politics where you say one thing and do another, cannot take you anywhere. You will sign that document, but tomorrow, when you come here, you will either vote with us or chicken out. We know it; I am a Whip and when I talk to my friends across, they tell me that the Opposition MPs are the ones who want an extension of Parliament, deep in their hearts. I know this because I sit with them and we drink together. We even chew *miraa* with some of them.

(Laughter)

Mr. Shitanda: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to allege that it is the Opposition MPs who need an extension of Parliament when we know that it is the Government side that requires that extension very desperately?

The Temporary Deputy Speaker (Mr. Imanyara): That is not a point of order. Proceed, Mr. Shidiye.

Mr. Shidiye: Mr. Temporary Deputy Speaker, Sir, let me come to the point.

The Temporary Deputy Speaker (Mr. Imanyara): Can you be relevant? We are discussing on the Budget Speech.

Mr. Shidiye: Mr. Temporary Deputy Speaker, Sir, the Budget is about constitutionality. It is the Constitution of Kenya that says that we must read the Budget of this country every year. I am talking about the reality. We know that, for all intents and purposes, when the members of the former NDP left the Opposition, they became almost as dead as the dodo, as one Judge said. We must be frank. Most of them know that they will not come back to this Parliament after the next General Elections, and that is why they want an extension of the life of Parliament. In Lagdera, I know that I am in KANU, and I have implemented some projects there. At least, I know that I will come back. But these hon. Members from the Opposition came to Parliament through euphoria, and it is not there now. The euphoria is gone; long gone! When the euphoria is gone, the bottom line is that people would ask them what they have done.

I beg to support.

Mr. Katuku: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Budget Speech. Even though some people are saying that the Budget Speech which was delivered in this House was well thought of and well spiced - I do not know with *Roiko* or with what - I have a contrary view. This was just a mere piece of rhetoric which has no economic implications to the taxpayers. The only thing that we are seeing is its negative part.

Mr. Temporary Deputy Speaker, Sir, if you look at your constituency, what does this Budget mean to your people? What benefits will they get out of the Budget? For example, how will the people in Mwala Constituency benefit from what the Minister read out in this House? You will find that some money will go to the teachers who are teaching in that village or to one of the nurses in one of the health centres of that village, but still, they are the ones who are being taxed to finance this Government. But in return, they are not getting anything. That is why we are saying that the Budget did not address the common man or woman. Instead, it addressed how to tax the common man or woman. Look at the way the Minister went down to get Kshs1 from a litre of kerosene which is used by all Kenyans across the board, especially the poor. Maybe, he should have taken that Kshs1 from those who have better earnings, who can afford petrol and diesel, but not the common man or woman who is poor.

Look at the way the Minister went out again to get money from that person who cannot afford daily meals and, maybe, he or she depends on bread for lunch; for example, those who live in the City's slums. They are looking for jobs in our homesteads. Bread means a lot! Now the price of bread has gone up again to Kshs28 a loaf, because of the VAT which was imposed! This is quite unfair to the poor person who is paying the taxes!

Look at what has been given to very important Ministries. For example, look at the amount of money allocated to the Ministry of Environment and Natural Resources for water development. I come from an arid constituency which needs more money allocated to it to develop water resources and dams. My constituents will require at least a dam in each village. Maybe, those living in those areas will utilise those dams to water their crops and animals, and even the family would use it.

But every year, this Government spends millions of shillings during drought to feed my people in Mwala by providing relief food. Why can they now - because we are now not on relief food - not spend the same money to develop water resources and dams in my area, or in any other area, for that matter, where, frequently, drought occurs? The KANU Government just wants people to go for help every now and then; to be depending on relief food.

Look at the amount of money which has been allocated to the Ministry of Education, Science and Technology. We are saying that it is possible for this Government - or the taxpayers - to fund primary education. The

Government should make primary education free and affordable to all Kenyans. Kenyans have been pushed to the lower levels of poverty. They cannot afford to pay for primary education.

The dropout levels have gone up, and the Government is going on imposing levies here and there, especially in schools, where pupils are being asked to pay money for the District Education Board (DEB). For example, in my district, every child gives Kshs15 to pay for inspection of education in the district. Why can the Ministry of Education, Science and Technology not pay for inspection of schools? Why should the child fund it? Why can the Government not fund that inspection? Every child is expected to give money to pay for the watchman, development and other activities. You will find that most of the poor children have run away from schools. This Budget should have taken care of that.

If you look at the bursary fund, you will find that it is not enough. We need more money because we have so many children, maybe, from families who have been affected by HIV/AIDS or that kind of problem. Children have been left behind and they do not have people to take care of them. We need more bursary funds so that they can benefit such children.

The Minister talked about the main challenges facing this country in terms of how to improve this economy. The common man or woman out there is serious about how the economy can be improved; how it can be made a better economy so that it can make him or her meet the basic needs. The Minister talked about the predicaments and frustrations they are encountering in that regard.

The Minister went on to talk about infrastructure; how we have a problem of micro-economics, index rates, high exchange rates, how the investors have lost confidence in us, and how the donors are not giving us money. He also talked about insecurity in this country, and how tourism is being affected by other factors. The question that every Kenyan is asking is: Does the Government have commitment to sort out these messes? For example, we are talking about not getting money from the IMF and World Bank and other development partner? Why is it so? This is because the Government is not committed to meet these challenges.

We are talking about the IMF and the World Bank. Hon. Members were in Mombasa the other day and we met the officials of the IMF and World Bank. They gave us the reasons why they cannot give this Government money. They were simple reasons which the Government can meet. They said that they cannot fund a Government which is not serious in fighting corruption. What is the Government doing about it? They talked of a Government which is not able to prosecute those who are found guilty of corruption activities. They asked: "How can we fund a Government which is condoning corruption?" You will find a Minister who has a case in court or who has been implicated in such activities flying flag with police officers at the back of their vehicles. He would be seen going to the High Court to answer charges of corruption and this police officer has a gun and he can even arrest him. You would find the police officer escorting him to court.

What kind of commitment is that? It is high time we became serious in meeting these conditions, and that is why Kenyans do not want to hear an extension of the life of Parliament even for a day, because they have lost faith in this Government. They do not want to hear that this Government has been given an extra day in power because of the frustrations they are getting from the Government itself. The Government has let them down. It cannot fight corruption; it is condoning corruption. People are becoming poor every day; they are being sacked and retrenched, and KANU wants an extension of the life of Parliament! Who will allow them to have that? An extension of the life of this Parliament to exploit Kenyans, to let Kenyans continue suffering?

Let us not be selfish. I warn Kenyans that when the Chairman of the ruling party KANU says this, he means the other. That gentleman wants an extension of the life of Parliament like any other person in KANU. Since we are not going to allow them, I want to tell Kenyans that they should wait for elections any time after we pass this Motion. We are passing this Motion soon. Immediately after that--- You can see that they have started campaigns. They are launching their Manifesto this Saturday. If you look at the *East African Standard*, you will find that the campaigns have started. I am calling upon my colleagues in the Opposition to be wary of this. These people will call elections any time after we pass this money. We should not think of going to elections next year. We want elections as soon as possible in order to remove this Government from power, which has made us poor; made our children not go to school; made our roads impassable, and made the tourism sector collapse. We would have got a lot of revenue from the tourism sector had it not been for the land clashes which were instigated by the Government, and also corruption. I am saying we must go for elections this year so that we remove this corrupt Government from power. It is as simple as that.

I beg to support the Motion.

The Minister for Public Health (Prof. Ongeri): Thank you, Deputy Speaker, Sir. I also want to take this earliest opportunity to dispel some misinformation that may have found its way to the Floor of this House on certain basic topical issues that are of great importance to this nation.

I want to thank the Minister for Finance for making a Budget provision for the HIV/AIDS related illnesses,

and specifically for the purchase of the anti-retroviral drugs. You will recall that there was a Global Fund for Health (GFH) that was created by the United Nations (UN) General Assembly. This fund arose out of contributions by the private and the public sectors. Sometime last year, the country made an application to the Fund for funds to, particularly, purchase anti-retroviral drugs. I do not want to be misunderstood, but what was required of each country was to submit a formal application to the Fund. Along with that application, a country was to request for each budget line on HIV/AIDS, tuberculosis and malaria. In doing so, you were to take into account the existing programmes on the ground.

I want to submit to this honourable House that, indeed, Kenya's application to the Global Health Fund Committee was rated one of the best in terms of country co-ordinated mechanism. This was because all the stakeholders, including both the multilateral and the bilateral donors, were involved in the preparation of that document. When an application of this nature is made, it is not the committee that adjudicates on it, but the application is referred to a Technical Review Panel (TRP). The TRP is composed of people who have been randomly selected to look at the various strategic plans for malaria, tuberculosis and HIV/AIDS of each country. One of the reasons that were given to us after the committee had gone through the applications was that Kenya did not have a strategic plan for HIV/AIDS. It is in the knowledge of this House that the only country that had a Sessional Paper on HIV/AIDS in 1999 was Kenya. The only country which has put forward a strategic plan covering over a period of five years, upon which basis we used to secure some funding from the World Bank and other institutions, is this nation. This covers the period 1999 to 2004. The only country which has got the most effective programme in the management of tuberculosis worldwide, where the resistance rate is less than 5 per cent, is Kenya. This claim is well documented in the entire documentation system globally. We are rated as one of the best countries offering free tuberculosis treatment under a very effective programme known as "directly observed treatment for Tuberculosis (DOBTs)".

Once again, the malaria document strategy has been elaborated on and will cover the years between 2000 and 2005. In fact, it covers a span of ten up to the year 2010. So, when an organisation of a few peer reviewers, who have absolutely no fore information--- When documents weighing 17 kilograms are presented before them and they are unable to read through them to appreciate the nature of the application, they can only say that the strategy is not correct. I want Kenyans to know that there is a strategy which is on record. We have those books and if there is any need, I will table them here for the reference of hon. Members of Parliament.

Therefore, when somebody makes a statement in this House, that it was due to the arrogance of the Minister for Public Health that we did not get funds from the Global Health Fund, he makes the most misleading statement that I have ever come across during my stay in this House. I want to categorically put it on record that what happened had nothing to do with any form of arrogance. If advocating for Kenya's position is equivalent to arrogance, then I have no business being the Minister for Public Health because that is my job. My job is to advocate our position vigorously, and if need be, make it known to the international community our displeasure at the manner in which this particular exercise was handled. All said and done, we were heard when the committee met in New York City and we are resubmitting our application for September. Therefore, before long, we should be able to access those funds.

The second impression that I want to correct is the that there was a change in the law that we passed in this House, the Industrial Property A towards the HIV/AIDS scourge, when I reckon that there are about 2.2 million Kenyans who are afflicted by the scourge. About 10 per cent of them, which is about 200,000 people, will require treatment in one form or the other. In our own calculation, that requires close to about Kshs18 billion. This is a good beginning because, then, we can build upon it. We have the will and the determination, and we can do it.

We have just completed our immunisation schedules and we have covered a very substantial segment of our population. Close to 14 million children were to be immunised against measles. That is a very big success. Therefore, for anybody to cast an aspersion that we cannot cope with the situation, given the funding level, is a misnomer and should be corrected immediately.

Having said that in connection with the HIV/AIDS scourge, I want to emphasise the importance of nutrition. There have been various incentives that have been given to the farmer. Farmers should take this earliest opportunity to ensure that first and foremost, their stomachs are full before they can think in terms of selling their produce. They should grow quality products because we now know that 50 per cent of HIV/AIDS patients do extremely well on nutrition alone, and can raise the quality of their lives to very acceptable standards. Therefore, I want to appeal to the hon. Members of this House that, through their constituencies, this should form part of the education that we need to give out.

The other point which is of major importance is that in the Budget there was a very clear statement that all capital goods and raw materials were zero-rated. The whole idea of the Government zero-rating raw materials and capital goods for agro-based industries is basically to expand the middle level performance, particularly at the level of the medium enterprises that can pick up. Any economy in the world that has grown, for example, in Japan, Korea and the tiger countries, has done so as a result of the expansion of their middle cadre enterprises. That is an important issue

and we must seize the opportunity to be able to expand, rather than lament as to whether funds are available or not available. But we can be able to do it on our own, once we seize the earliest opportunity of the zero-rating of the capital goods and the raw materials for agro-based industries.

Having said this, I think it is erroneous for anyone to blame KANU for the present clamour for the extension of the life of the current Parliament. After all, who caused this delay? It is the Ufungamano group! They are the ones who kept on looking for flimsy excuses about being included in the constitutional reform process.

Mr. Kihoro: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the Minister to blame the Ufungamano group, when he is aware that 23 Ministers took to County Hall to stop---

The Temporary Deputy Speaker (Mr. Imanyara): Order, Mr. Kihoro! You are taking his time for nothing.

The Minister for Public Health (Prof. Onger): Mr. Temporary Deputy Speaker, Sir, he knows very well that they are the ones who delayed the process and they are trying to find a very cheap way of hiding behind Ufungamano to say that the extension of Parliament is being supported by KANU. We are talking about the legality of this matter!

With those few remarks, I beg to support.

Dr. Ali: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for recognizing me after a very long time.

Mr. Temporary Deputy Speaker, Sir, I would like to congratulate the Minister for Finance for coming up with a very focused Budget. The country is in an economic mess right now, but when things change, hopefully, he must improve certain areas where he has not done as much. Poverty in this country is a big problem, and everybody is aware of that. There is a lot of inequality in this country. The richer get richer everyday because they are given most of the funds from the Government, while the poor areas of this country do not benefit at all.

Mr. Temporary Deputy Speaker, Sir, on the issue of bursaries, some years back, when Mr. Kamotho was the Minister for Education he would give the entire North Eastern Province Kshs500,000, and Murang'a Kshs500 million. Those are the inequalities we are talking about. Murang'a people can afford to pay school fees for their children. But as it was rightly put by Mr. Wamae, there are some people in this country who do not have anything! If you go to some urban centres in the northern parts of Kenya, most people have lost their livestock due to drought and cattle rustling. Most people have moved to the urban centres in search of food because they have nothing else to do. The Government does not provide funds for those people to fend for themselves! They are not encouraged to do small-scale farming or kitchen gardening for that matter. What do they have to do? They have to sit and wait for relief food from the World Food Programme and the Government of Kenya.

Mr. Temporary Deputy Speaker, Sir, the Government should empower those people in other ways. If they take their children to school and they do not get bursaries, how else can those people catch up with other parts of the country? Unfortunately, there is no one here from the Ministry of Education to take note of that. But the Ministry of Education should make sure that when they are distributing the bursary funds, they should think of people living in remote areas of this country. I hope in the future, things will change.

Mr. Temporary Deputy Speaker, Sir, it was a very good idea for the Minister to set aside money for the purchase of textbooks. But I am afraid that the money will go to schools in areas where influential people come from. Instead of that money benefiting poor people from remote areas, it will go to the rich and influential people working in those Ministries. I hope that does not happen.

Mr. Temporary Deputy Speaker, Sir, on the issue of teacher's remuneration, I think teachers deserve to be given something better than what they are getting now because they have suffered a lot in this country. When I was in school, teachers were respected members of the community, but nowadays, they do not have anything. They are poor and they cannot even survive. Even students do not care or even respect them. One of the reasons is that they do not have enough money to take care of their own. So, if the Government does not have anything to give the teachers now, I would urge that when the time comes and we are able to get some funding from our donor friends or wherever, then something should be allocated to the teachers. If not now, if we have a Supplementary Budget, then, teachers should, at least, benefit from whatever we get from outside the country.

With regard to the health sector, the same thing is happening. If you consider the area where I come from, there are no health services at all! Buildings had been built several years back; shelves are there, but there are neither drugs nor health personnel. Possibly a whole health centre is being manned by one nurse. When the nurse gets sick or goes on leave, the place is locked and the key is given to a chief. Why did we waste Government resources to build facilities which do not have anything inside; no staff, no drugs? I am urging the Government to make sure they take enough personnel to all those areas so that they can assist the residents and also supply drugs. I am happy to note that, hopefully, I might get something after running around. But until and unless I get it, I cannot be sure whether I will get something or not. This is because there are lots of empty promises being given all around.

Northern Kenya faces water shortage while there is a lot of water being wasted in many parts of this country,

and especially northern Kenya. A lot of water comes from the Ethiopian highlands and flows down to northern Kenya, but that water is neither harnessed nor used for any useful purposes. I will congratulate the Minister for getting Kshs600 million from somewhere. Will that money be used for the purpose it was intended for in the Arid and Semi Arid Lands (ASAL)? There was a time we fought for money from Egypt for over 100 boreholes, but I do not know where those boreholes were dug, because they were not dug in northern Kenya. So, when the Ministry of Water Development gets that money, the best thing to do is to make sure that we are told where that money has been allocated. If the money is just left in the Ministry here, somebody somewhere will come to see the person who is in charge of the money, for instance, the Director of Water or whoever, and he will give the money to his friend, and I do not think that is going to help this country at all. This issue of friendship is the one which causes corruption in this country. This practice should be avoided, and the money allocated for certain purposes used for those purposes, so that even people in northern Kenya can practice some agriculture. Animals in northern Kenya can use that water instead of dying every time due to lack of water.

On the issue of Rural Electrification Programme, I think that is something which we can talk about in the next 100 years because it is not there. I do not think it will even be there. But why does the Ministry not think of cheaper ways of bringing electricity to the rural folk, like in northern Kenya where the sun is always available? Why can people not think about solar energy? If you have solar panels in areas like that, then you can allow people to do what they want. The Act does not---

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Dr. Ali, I am sorry, you will have your balance of three minutes in the afternoon.

Hon. Members, it is now time for the interruption of the Business of the House. The House, therefore, stands adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.