

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 19th June, 2002

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I have not received a written answer to my Question.

Question No.273

KENYA'S OPINION ON ZIMBABWE ELECTIONS

Dr. Ochuodho asked the Minister for Foreign Affairs and International Co-operation on what basis the Government of Kenya billed the just-ended elections in Zimbabwe "*free and fair*".

Mr. Deputy Speaker: Is anyone here from the Ministry of Foreign Affairs and International Co-operation? We will leave that Question until the end.

Question No.296

INTERDICTION OF MR. PANAITO OCHIENG

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

Question No.271

NON-PAYMENT OF SALARIES TO MBUNI CLEANERS EMPLOYEES

Mr. Deputy Speaker: Is Mr. Mugeke not here? We will leave his Question until the end.

Question No.275

CURRENT VALUE OF KICC BUILDING

Mr. Kamanda asked the Minister for Roads and Public Works:-

(a) whether he could inform the House when the Kenyatta International Conference Centre (KICC) was built and by whom; and,

(b) what the current value is of the land and the buildings thereon.

The Minister for Roads and Public Works (Mr. W.C Morogo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The KICC was built from 1967 to 1974. The same Centre was constructed by M/s Factor Construction Company Limited.

(b) The current value of the land and the building has not been established as the valuation exercise is still ongoing. I will inform the House about the value as soon the exercise is completed.

Mr. Kamanda: Mr. Deputy Speaker, Sir, it is true that this building was built by M/s Factor Construction Company Limited. But where did the money to build it come from?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, KICC was built by the Government.

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, could the Minister explain to this House why he has not found it prudent to have the valuation of the KICC done even after we have had this Question pending before this House for so long? He should also tell the House when the building reverted to KANU.

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, the Question was filed just before we broke for the last recess. The valuation exercise is quite a big one and it is still on-going. I have instructed my officers to carry out the valuation exercise and we are doing it in conjunction with the Ministry of Lands and Settlement. As soon as this exercise is ready, I will inform the House on its outcome. The building reverted to KANU In 1989.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, when KICC reverted to KANU, how much did KANU pay to the Government? What was the building value at that time?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, the Government did not sell the building to KANU. It gave it to KANU.

(Laughter)

Mr. Anyona: Mr. Deputy Speaker, Sir, maybe, at the time when KICC was built, the line between the ruling party and the Government was extremely thin. But it is important that these two organs should be separated.

Could the Minister tell us how much public funds were used to put up KICC? The KICC is a property of the Government and not of KANU; so, if ownership has changed, could the Minister confirm whether the public has been compensated?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, I do not think that KANU as a party will compensate the Government, because the Government decided to give the building to the party. I agree with hon. Anyona that at the time when KICC was built, everybody in the country was in KANU. KANU was like a constitutional institution then.

Mr. Maore: Mr. Deputy Speaker, Sir, the Government, in the year 1992/93 and the year 1993/94, through the Central Tender Board (CTB), set aside K£208,000, K£63,000 and K£35,000 for the rehabilitation of this building. This was subject to the Public Accounts Committee (PAC) recommendations. The Government has been hiding under the guise that there has been a case in court about the ownership of the building, and so it cannot implement the recommendation to have KANU surrender the building to the Government. The building was illegally given to KANU before KANU could compensate the Government.

Could the Minister go back and seek further clarification on the issue and come and explain to us about the ownership of the KICC? In giving his answer, the Minister has withheld a lot of information.

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, as I said earlier, during the time when the Government decided to give KICC to KANU, KANU was the Government then.

Mr. Deputy Speaker: But KANU is still the Government!

Mr. W.C. Morogo: Mr. Deputy Speaker Sir, I am explaining this issue in the context of the current many political parties.

Mr. Deputy Speaker: No, Mr. Minister! That does not change the character of KANU.

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, I agree with you. The Government decided to give the building to KANU.

Mr. Deputy Speaker: Order, Mr. Minister! You have not answered Mr. Maore's question. You have, in fact, said that the building was transferred to KANU in 1989. So how come that in the year 1992/93 there was still some Government money being used to refurbish it?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, that is something I could still check on, but the ownership of the KICC reverted to KANU.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, the Minister has said that at the time when KICC was built, everybody was in KANU. He knows very well that there are many people who have never been in KANU, like myself, and will never be, as long as KANU remains what it was then.

Given that there are many people who have never been in KANU, on what basis did the Government decide to donate KICC to KANU?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, the hon. Member understands that the Government can decide to give its assets to its citizens. For instance, it allocates land to its citizens. So, it has the mandate to do so. As to whether the hon. Member has never been in KANU, he could be right because I am not very sure about his age.

Mr. Sifuna: Mr. Deputy Speaker, Sir, the hon. Minister is misleading this House. I was a KANU Member of Parliament when the President ordered Messrs. Nassir, Kibaki, Biwott and myself to look into the possibility of grabbing KICC. We were ordered to change the figures and transfer that building from the Government to KANU without any compensation. I even objected but I was overruled. Could the Minister now---

Mr. Deputy Speaker: Order, Mr. Sifuna! Where is that evidence? You are now treating us to hearsay! Where can we find that evidence?

Mr. Sifuna: I am the evidence! I was there! What other evidence do you want? You can ask Mr. Biwott to clarify!

Mr. Deputy Speaker: Ask your question now. I can see you but I cannot see the evidence in you!

Mr. Sifuna: Could the Minister transfer back that building to the Government?

Mr. Deputy Speaker: Order, Mr. Sifuna! Ask your question. We do not want stories here. If you want to tell us a story, then move a Motion. But for the time being, ask your question.

Mr. Sifuna: Mr. Deputy Speaker, Sir, could the Minister order that the KICC be transferred back from KANU to the Government, the original owner?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, you can see that Mr. Sifuna is talking like that now because he is in the Opposition. At that time, he did not say it was a wrong thing! So, the truth is that the Government decided to give it to the party, and that is the position.

Mr. Deputy Speaker: Order, hon. Members! If you want to discuss this issue at length, then a Motion should be brought to this House. But, Mr. Minister, there is a procedure to be followed when the Government is giving away its assets. Was that procedure followed?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, I know that it was decided at the Cabinet level and some people were authorised to do so. That is the way it was done.

Mr. Muchiri: Mr. Deputy Speaker, Sir, when KICC was being constructed, I was in Nairobi. It was built with taxpayers' money. I do not think there is any provision in law under which the Government can give away Government properties without tenders or auctioning. Under what authority did the Government of that day decide to donate or give away public property worth billions of shillings to a political party?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, the truth is that KANU was the Government and the Government was KANU. So, it was not giving it away. It was just transferring it from one arm to the other.

Mr. Mwalulu: Mr. Deputy Speaker, Sir, this House has the chance now to address this terrible anomaly. Mr. Sifuna has just asked a specific question. Could the Minister order that KICC be transferred back to the Government from KANU?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, I think it would be unfair to transfer it back to the Government. For instance, we cannot go back and say the Government should transfer back everything that it has given to Kenya citizens.

Mr. Kamanda: Mr. Deputy Speaker, Sir, now that the Minister has confirmed that this building was built by the Government, could he undertake to provide to this House the current valuation of the building and if possible, revert the ownership of the building to the Government? The Minister has clearly stated that KANU grabbed that building! KANU did not acquire that building by following the correct procedure. They grabbed from the public and should return it to the public. Alternatively, could he provide to this House the current market value of that building as we await the valuation report?

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, in my reply, I did say that I am going to bring the valuation report to this House as soon as it is ready. Secondly, I have not said that KANU as a party, grabbed that building. Those are the words of my friend, hon. Kamanda. The Government gave that building to KANU and it was legal since the Government has the right to do what it thinks is right. I cannot order return of this building to the Government because the transfer was done legally.

Mr. Gatabaki: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Minister to confuse grabbing by the Government with actual grabbing by the ruling party, KANU?

Mr. Deputy Speaker: Order, Mr. Gatabaki! That is a question. But, in any case, can an inanimate body grab?

Mr. Anyona: Mr. Deputy Speaker, Sir, that is an important matter in the country. I do not think Parliament can take this matter lightly. There may have been nothing wrong in those days for that to happen. But the present circumstances require that the matter be reviewed. I do not think we have done any justice to this Question. It has not been resolved because the facts have not come out. Would I be in order to propose that the Minister be given more time to bring to the House, the original cost and value of the building, the manner in which the transfer from the Government to KANU took place, and the current valuation, so that this House will be in a position to decide whether this should be allowed to go on or not? Would I be in order?

Mr. Deputy Speaker: Mr. Minister, you have already undertaken to provide some information. So, you may wish to expand that information to include what hon. Anyona has requested for.

Mr. W.C. Morogo: Mr. Deputy Speaker, Sir, indeed, I can provide that information but that does not mean we are going to open the Question again. I have taken a lot of time to answer the Question.

Mr. Deputy Speaker: Next Question, Mr. N. Nyagah!

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, before I ask my Question, I would like to know from the Chair what we are going to do about Ministers not giving us answers as required. To date, I have not received an answer to this Question, which I asked a long time ago. However, I beg to ask the Question.

Question No.289

REHABILITATION OF SHAURI MOYO ROADS

Mr. N. Nyagah asked the Minister for Local Government:-

- (a) why the four main roads within Shauri Moyo and Pumwani, awarded to Krishan Behal Limited, have not been completed after two years of awarding the contract;
- (b) whether he could state the contract sum for each road and how much has been paid for each of the roads; and,
- (c) when they will be completed.

The Assistant Minister for Local Government (Mr. Hashim): Mr. Deputy Speaker, Sir, the reply was sent to the National Assembly. He can check with the Clerk whether this reply was sent or not.

Mr. Deputy Speaker: Order, Mr. Hashim! The answer to that Question has just arrived now! The regulations require you to send the answer in advance to the National Assembly.

The Assistant Minister for Local Government (Mr. Hashim): Mr. Deputy Speaker, Sir, I apologise for that omission. We will ensure that answers to Questions are sent in time. However, I beg to reply.

(a) The four main roads in Pumwani and Shauri Moyo areas have not been completed because the contractor has not been paid a large amount of money due to him. As a result, the contractor has suspended the work.

(b) The contract tender sum was not for a specific road; it was for the construction of several roads consisting of 36 kilometre of the road network. The entire contract sum was Kshs624,187,949.30 and the amount paid so far is Kshs406,877,383.50.

(c) The remaining work will be completed as soon as the contractor is paid the outstanding payment, and work will resume immediately.

Mr. N.M. Nyagah: Mr. Deputy Speaker, Sir, there are four roads within Kamukunji Constituency that ought to have been constructed, and the Assistant Minister says very clearly that there was no contract sum considered for the construction of the roads. Who on earth would believe that kind of answer? The roads are left bare, the excavation work is there, and it is going to cost a lot more money to re-do those roads once again! Could the Assistant Minister be specific enough to tell us what the Government is willing to do in terms of arresting those people who are involved, in collusion with the people from the World Bank, who stole the project money involved in the construction of these roads?

Mr. Hashim: Mr. Deputy Speaker, Sir, the Government is very much willing to take action on those who have deprived the Government of money. But if you look at the Question, it does not ask anything to do with the integrity of the contractor; it asks about the completion of the work.

Mr. Deputy Speaker: Order! Order, Mr. Assistant Minister! That question is legitimately supplementary, so you have to answer it.

Mr. Hashim: Mr. Deputy Speaker, Sir, the Ministry is conducting investigations and will make sure that all the people involved will be arrested.

Eng. Toro: Mr. Deputy Speaker, Sir, for those who listened to news yesterday; the Head of Police Anti-Corruption Unit, Mr. Swaleh Slim, was talking about big amounts of money being syphoned through contracts. The Assistant Minister has said that Kshs406 million has been paid to the contractor and that the contract sum was Kshs624 million. Could he tell this House whether 70 per cent of the contracted work has been completed, because Kshs406,877,383.50 represents about 70 per cent of the contract sum? Has 70 per cent of the work been completed?

Mr. Hashim: Mr. Deputy Speaker, Sir, in fact, 80 per cent of the contract work has been completed.

Mr. Keriri: Mr. Deputy Speaker, Sir, the Assistant Minister says that 80 per cent of the work has been completed and the Questioner, Mr. N.M. Nyagah, says that the whole road is just left bare! Could the Assistant Minister give this House evidence to prove that 80 per cent of the work has been completed?

Mr. Hashim: Mr. Deputy Speaker, Sir, the roads which have been completed in Shauri Moyo, Pumwani area, include Lamu Road, Ahero Street, Kabila Street, Sakwa Road, Butere and Kericho Streets, and this constitutes 80 per cent of the work.

Mr. Ndicho: Mr. Deputy Speaker, Sir, in all the years that we have been in this House, at least every Member

of Parliament has raised an issue where Krishan Behal Company Limited has been involved in shoddy work for some road or another. The road from Muthaiga Roundabout all the way to Thika Town was constructed by Krishan Behal Company Limited. The road is now worse off after three years down the line. Is it that there is no other person who can be given a job to construct these roads other than Krishan Behal Limited, and especially contractors of African origin? What does Krishan Behal Limited give Government officers, that he is always awarded contracts and he does shoddy jobs? Everybody is complaining about Krishan Behal Limited! What is the Government going to do about this particular contractor because his job is shoddy and the Government is giving him all the millions that Kenyans pay in form of taxes? What will the Government do about him?

Mr. Hashim: Mr. Deputy Speaker, Sir, first, I would like the hon. Member for Juja to withdraw the remark that there is a "kick-back" being given by Krishan Behal Limited to the Ministry.

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

Mr. Deputy Speaker: No! No! Let the Assistant Minister answer the question!

Mr. Ndicho: He has introduced the "kick-back" issue!

Mr. Deputy Speaker: Order! Order! Let him answer the question!

Mr. Hashim: Mr. Deputy Speaker, Sir, as I said earlier, investigations are being conducted on this contractor, and anyone involved in this malpractice will be arrested and the law will take its course.

Mr. Muchiri: Mr. Deputy Speaker, Sir, the Assistant Minister has said that investigations are being done and those involved in syphoning Government money will be arrested and be prosecuted. Could he tell this House on which dates he did report the matter to the police, at which police station, and who are the suspects?

Mr. Hashim: Mr. Deputy Speaker, Sir, I would like to have the Chair's guidance. If you look at the Question, it does not ask about the arrest of this contractor. With regard to the supplementary question, I have replied that investigations are being conducted, but at the moment---

(Loud consultations)

Mr. Deputy Speaker: Order! Order! Mr. Assistant Minister, it is by your own confession that hon. Members are now raising these questions. You have said that investigations are being carried out. You cannot carry out investigations involving a contractor on theft if there are no suspects! Tell the hon. Members who the suspects are!

Mr. Hashim: Mr. Deputy Speaker, Sir, a different arm of the Government is undertaking the investigations. I think this Question should be directed to the Attorney-General.

Mr. Deputy Speaker: Order! Order! Sorry, Mr. Assistant Minister! I must defer this Question. You must come back to the House properly prepared to answer all questions that relate to this project and this contractor! The Question is deferred to Tuesday next week!

(Question deferred)

Dr. Shem Ochuodho's Question for the second time!

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I was just wondering, given the time remaining before Question Time elapses--- But if the Chair is willing to give us some more time, I will ask the Question. But I was thinking, maybe, we could defer the Question.

Question No.273

KENYA'S OPINION ON ZIMBABWE ELECTIONS

Dr. Ochuodho asked the Minister for Foreign Affairs and International Co-operation on what basis the Kenya Government billed the just-ended elections in Zimbabwe "*free and fair*."

The Assistant Minister for Foreign and International Co-operation (Mr. Affey): Mr. Deputy Speaker, Sir, I apologize for coming late. However, I beg to reply.

Kenya did not send any observer to the recent presidential elections held in Zimbabwe from 7th to 10th March, 2002. Accordingly, therefore, Kenya could not, and did not, make any pronouncement on the outcome of Zimbabwe's presidential elections.

Dr. Ochuodho: On a point of order, Mr. Deputy Speaker, Sir. I am very much surprised to hear that reply from the Assistant Minister. At the time of the Zimbabwe elections, the Energy, Communications and Public Works Committee was travelling in various parts of Europe. We were very humiliated as Kenyans to realise that Kenya was the first country in Africa to recognise and congratulate, from the State House, the rigged Government of Mugabe. Is the Assistant Minister in order now to tell this House that they never made any pronouncements? If so, could they then

withdraw the statement which they made from State House?

Mr. Ndicho: On a point order, Mr. Deputy Speaker, Sir. Our Standing Orders do not allow us to discuss a country like Zimbabwe, which is friendly to this country.

Mr. Deputy Speaker: Order! We are not discussing Zimbabwe!

Mr. Ndicho: I was there and there was no rigging!

Mr. Deputy Speaker: Order! Order, hon. Ndicho! Either the Government has stated that the elections were free and fair, which is public knowledge now, or they have not?

Proceed!

Mr. Affey: Mr. Deputy Speaker, Sir, maybe, I would like to share some information with hon. Members. The Republic of South Africa sent an observer mission of 50 people to Zimbabwe. They arrived in three phases, from 13th February, 2002, to ensure that they observed pre-election, polling day and the post-election period. Following the elections, the observer mission declared the people of Zimbabwe actively participated in the campaign and the elections themselves, thus legitimizing the outcome. Despite the long queues and slow voting processes, Zimbabweans demonstrated their commitment to expressing their will in determining who should be the president.

The Southern African observer mission, therefore, concluded that, in its view, the outcome of the Zimbabwe Presidential Elections should be considered legitimate and the world should respect the people's verdict. Similarly, an observer mission from the Organization of African Unity (OAU), billed the Zimbabwe Presidential Elections free and fair---

Mr. Deputy Speaker: Order! This Question is asking you about the position of the Kenya Government, and not the Organisation of African Unity (OAU) or any other body. Just answer the question in relation to the position of the Kenya Government!

Mr. Affey: Mr. Deputy Speaker, Sir, I have said that we did not send an observer mission to Zimbabwe, and I thought I should share this with the hon. Members. Therefore, if I have to answer this Question directly, I would say that we did not send any observer mission to that country.

Mr. Deputy Speaker: Hon. Members, I am afraid I have to defer the rest of the Questions because your Order Paper says that we should move to the next Order not later than 9.30 a.m.

Question No.296

INTERDICTION OF MR. PANAITO OCHIENG

(Question deferred)

Question No.271

NON-PAYMENT OF SALARIES TO
MBUNI CLEANERS EMPLOYEES

(Question deferred)

QUESTION BY PRIVATE NOTICE

DESTRUCTION OF MANGA ESCARPMENT FOREST

(Mr. Anyona) to ask the Minister for Environment:-

(a) Is the Minister aware that the Clerk of Nyamira County Council has cut down trees and destroyed Manga Escarpment Forest in Kitutu Masaba?

(b) Who authorised the Clerk to destroy the forest and for what purpose?

(c) What legal measures will the Minister take against the Clerk and all those involved in the destruction of the forest?

(Question deferred)

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 18.6.2002)

(Second Day of Budget Debate)

The Vice-President and Minister for Home Affairs (Prof. Saitoti): Mr. Deputy Speaker, Sir, I would like to make some contribution to the Motion which is before the House. Let me at the outset commend the Minister for Finance for working extremely hard to produce a Budget under extremely difficult situation. I am saying this because it will be recalled that in the previous year, the economic growth rate had recorded a negative 2 per cent GDP. All this was attributed to bad weather experienced in this country. During the year 2000, our country faced the worst drought that we have ever experienced in this country. As a result of that, there was widespread food shortage all over the country, major devastation of livestock and water shortage to the extent that the manufacturing industry was affected greatly.

However, in spite of the various carry-overs of these adverse effects, the year 2001 realised a major economic growth rate of 1.2 per cent. This is no mean achievement given the fact that in the last financial year, donor funding, which had been promised and included in the Budget, was not forthcoming. Therefore, this financial year, which ends on 30th of this month, this will be a Budget that we have funded on domestic resources only. It is true that there has been a deficit, which had to be financed from the domestic resources. The fact that the Government has borrowed substantial resources to the tune of slightly more than Kshs30 billion may mean that there was a diversion of resources from the private sector to the Government funding. But in the circumstances, there was very little to be done.

In this year's Budget, the Minister for Finance wisely decided to formulate a Budget on the basis that we can no longer depend on the resources from outside. We have had experiences where there have been promises of external flows into the economy, only to find, in the course of the financial year, that those resources are not there. This is the case despite the fact that the major conditionalities which were set up by the multi-national institutions, especially, the Bretton Wood institutions, have almost been met. The two governance Bills have been debated and passed by this House. We do not know whether external aid will come this time round or not.

I think it is important for us to understand the background against which this year's Budget has been formulated. Time has come when, as a country, we should begin to increase our local productivity and not to depend all the time on the resources which will come from outside. As a matter of fact, this should not only apply to Kenya. It is now time for the entire Africa to understand that the time has come to realise that the flow of official development aid is in actual fact on the decline. There has been a major decline on the flow of external resources. If you look at the period between 1992 and 1997, you will find that official development aid has declined by almost 40 per cent. We are not seeing any sign at all that there will be a reverse of the situation.

So, many of the African Governments, including ourselves, have to find ways and means in which we can supplement or replace the flow of official development aid. The only way out now is to create an enabling environment to attract more flow of investment from outside. The flow of investment into the country will contribute to a major capital formation and eventually generate revenue which will finance the Budget.

But much more important is the fact that, again, we would like to create a necessary spectrum of incentives for the growth and prosperity of trade. This should be the case, especially on export trade. We have to take advantage of the various preferential treatments which exist in the foreign market. We do have the agreement which we signed in the year 2000, which allows goods from Kenya, as is the case for the many other African, Caribbean and Pacific countries, to land into the European Union market without duty being levied on them. We should explore on that aspect. We should exploit the African Growth and Opportunity Act (AGOA) facility provided for the Kenyan goods in the American market.

Having said that, let us also understand that our agricultural sector faces a major problem. This is because here, we have a scenario where the European countries have subsidised their agricultural products to the tune of about US\$500 million. Again, I am sure that hon. Members are aware that it is only the other day that the American Government also decided to subsidise substantially, the agricultural products in the US. So, our agricultural products face a major problem. So, the only area which we might benefit from in external trade could only be through the manufactured goods. But again, one must understand that our own economy, as it is true of the many economies in Africa, depends largely on agriculture. So, how do we face up to this situation?

We know most of our people live in agricultural areas where the highest level of poverty is. We have

embarked on a major strategy to fight poverty. But to me, it is the regional integration market which offers the best promise to our people. It is the only way out for us to preserve our resources, create wealth and employment opportunities within the region. I am happy because of the positive progress which has taken place within the framework of the East African Community. Within a very short time, a great deal has been achieved in the East African Community. For example, the East African Legislative Assembly has been put in place. Also, major achievements have been made, especially in matters of tariffs. However, it is regrettable that up to now, a common tariff has not been put into effect, because it is only then that a major serious common market will be put in place.

Let us understand that for our own economy to grow, it is important we work in partnership with our two neighbouring countries. After all, our two neighbouring countries within the East African Community are the destination of our major exports. Therefore, we must do the best we can to improve our relationship with them.

Mr. Deputy Speaker, Sir, turning on the taxation measures, I want to commend the Minister for Finance. Given the fact that he had a tight room for manoeuvre, it is extremely difficult to imagine whether one would have come up with a better Budget than this. This is not possible. But the Minister has done his best by trying to give some incentives where possible.

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

Mr. Gitonga: Mr. Deputy Speaker, Sir, thank you for giving me this opportunity to make some contribution to this Motion.

As in the past, the Budget Speech that was read by the Minister for Finance made a lot of promises, highlighted many good things about the Government and what it will do for Kenyans. These promises are good. For the first time, perhaps after a long time, this can be said to be a good speech. It was a good speech because it acted as a campaign document for KANU. But if it can be implemented, it would be good for us because all of us are taxpayers. Whether we are in KANU or Opposition, we all pay taxes. Therefore, if the Budget is good, then it will be good for all of us as Kenyans.

Mr. Deputy Speaker, Sir, in the past, good Budgets have been read in this House, but no implementation has ever been carried out. We were promised that the Government will do all it can to improve the wealth of our people by way of constructing dams in arid and semi-arid areas where our people are suffering because of water shortage. We have been told that farmers will be assisted to carry out their work and produce more for this country. The hon. Member who spoke before me urged Kenyans to appear to be more productive. Our people are hard-working. If the Government can implement some of these promises they have given, our people will no doubt do their part, and this country could change its own face.

Mr. Deputy Speaker, Sir, we have been told that certain duties will be removed in certain areas, particularly on manufactured goods. The industrialists need some concessions so that they can produce goods at competitive prices with other East African countries and within the Comesa region. However, I think the Minister for Finance failed when it comes to the vulnerable group of our people; the very poor people. We know already, in Kenya more than 50 per cent of our people live below the poverty line. These are the people that we should appear to be assisting, more than any other group, so that they can improve their lot. We should not continue to oppress them. The Minister, when reading his Budget, failed in one area by increasing duty on kerosene by Kshs1. As you probably know, for the very poor people in urban areas like Nairobi, kerosene is the only fuel they use for their cooking and lighting. They do not have any other means of creating fuel for cooking or lighting, other than kerosene. If the price of kerosene is increased, the people who will suffer most are the poorest of the poor in this country. Therefore, I would like to urge the Government to think twice about the price of kerosene. I will be quite happy if the Government decided today to increase the price of petroleum and other fuels rather than kerosene, by Kshs1 so that they reduce duty on kerosene.

Mr. Deputy Speaker, Sir, I believe one area where the Government should admit that they have failed is duty on *mitumba* because they would like to improve our textile industry. The Government's action is coming a little bit too late. A few years ago, we had a flourishing textile industry. We had Kicomi in Kisumu, Rivatex in Eldoret, and Nanyuki Textiles Mills. All these were killed because *mitumba* were imported by well-to-do people in this country. Today, one can get a shirt in Gikomba Market for only Kshs30. He can get a pair of trousers for Kshs30 or Kshs50. Most of our people live below the poverty line and have no source of income. If you ask them to go to any shop in Nairobi or anywhere else, they will not be able to buy any clothing at all. If we continue to increase duty on *mitumba*, what will happen? We will see many of our people walking naked in the streets of Nairobi. We would not like to see these things happening in our society. If Kenyans were asked, they would say that they would like us to revive our textile industry. How do we now revive this industry when we actually contributed to its death? How do we now revive the textile industry in this country? It will be difficult for us to revive this industry---

(A mobile phone rang)

Mr. Deputy Speaker: Mr. Katuku, you will be out of the Chamber for the rest of this morning's sitting.

(Mr. Katuku withdrew from the Chamber)

Mr. Gitonga: Mr. Deputy Speaker, Sir, I was speaking about *mitumba* and the textile industry. The Government does not assist cotton farmers. If we want to revive our textile industry, we must also assist the cotton farmers so that they can grow cotton instead of importing raw materials. If we do not do that, our people will continue to be poor. We should stop talking about 50 per cent of Kenyans living below the poverty line, because in the next few years they will be more than 50 per cent. If the Government wants to revive the textile industry, then we must help cotton farmers rather than increasing duty on *mitumba*.

Mr. Deputy Speaker, Sir, I remember one time, in a public meeting, His Excellency the President said that even hon. Members of Parliament - this remains a fact to date - wear *mitumba* because they cannot afford new clothes.

Mr. Deputy Speaker: Speak for yourself!

Mr. Gitonga: Mr. Deputy Speaker, Sir, it may not be you, but I know a few hon. Members of Parliament who survive on Gikomba products. If we want to save this situation, we must assist our farmers and industrialists. If the Minister can implement what he has stated, then there would be some change. The experience in the past is that the Government does not implement what is passed in this House. If there is no implementation, there will be no change in this country. Implementation should start now before the next General Elections. If this does not happen, then KANU will not get the votes they so much want through this Budget. People will refuse to vote for them.

Mr. Deputy Speaker, Sir, the other area I would like to mention briefly is with regard to education. We have in the past raised the question of teachers' salaries. I am very sad that the Minister did not say anything with regard to teachers' salaries. Teachers had threatened to go on strike by 10th June, but the Government asked them not to.

With those few remarks, I beg to support.

The Minister for Water Development (Mr. Ng'eny): Thank you, Mr. Deputy Speaker, Sir, for allowing me to contribute to this Motion.

I think for the first time, since I came to this august House, I listened to a Budget Speech which I thought was all-embracing in the sense that every sector of our economy was positively addressed.

Mr. Deputy Speaker, Sir, for the first time, donor funds were not factored in the Budget. This means that it is 100 per cent Kenyan Budget. It was also a Budget which was well thought out in every aspect. With regard to farming which is a very important economic activity in our country, it was taken care of more than ever before, in that the duty on inputs, both mechanical, fertilizer and seeds was zero-rated. There was positive consideration of the KMC, the Kenya Sugar Authority, the tea, coffee and dairy sectors. Every major activity in the farming sector was considered.

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister to repeat the mistake the Finance Minister has made, by emphasising zero-rating items of agricultural use, when in fact, they have always remained zero-rated? Is it in order that he should continue talking about it without naming the particular items?

The Minister for Water Development (Mr. Ng'eny): Mr. Deputy Speaker, Sir, this time round there was a wholesale zero-rating of agricultural products, unlike previously when it was selective. Apart from the agricultural sector, there are so many items which were zero-rated for the benefit of Kenyans, particularly farmers.

I would also like to talk about provision of water. As we know, water is a very essential input in development. In fact, it is essential in the entire spectrum of human activity. For the first time, this Budget recognized water as a very essential development input and earmarked funds for provision of water in the rural areas because that is where most of our people live. I would like to believe that provision of resources for water provision is very important. Previously, very meagre resources were put aside for provision of water, but I am sure the arid and semi-arid areas in the country will be given priority funding in order to implement projects.

Mr. Deputy Speaker, Sir, our industries have suffered a great deal because of competition and previous mistaken attitude of liberalising and then privatising, hoping that the country will develop. We could develop in agriculture and every other aspect like the dairy industry. That is not the case because there are no countries, including the highly developed ones like the United States of America (USA), even though they talk about liberalisation, they protect their products which they feel could be threatened by importation of similar goods. We, in Kenya, were very enthusiastic about liberalisation and privatisation. We are still continuing to privatise our parastatals.

Mr. Kariuki: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister, who is in the Government, to criticise Government policies which he is part and parcel of? Is he not infringing on collective responsibility?

The Minister for Water Development (Mr. Ng'eny): Mr. Deputy Speaker, Sir, I am just pointing out how some aspects could be improved. I am saying so because most of the things which we embraced before were essentially the brainchild of the Opposition. There was no outcry on this side of the House. They said that Kenya must liberalise every aspect of our industries.

Eng. Toro: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Cabinet Minister to say that it

is the Opposition which brought liberalisation, when, all along, it has been the policy of the Government to liberalise various sectors of the economy? Is he in order to say that it is the Opposition?

The Minister for Water Development (Mr. Ng'eny): Mr. Deputy Speaker, Sir, while it is true that some of the aspects were done by the Government, the big outcry came from the Opposition. They made noise to the extent that when they saw it was a wrong policy, brought it back to the Government and said: "Why did you do this?" In fact, they were number one in propagating liberalisation. Who propagated in the first instance that there should be liberalisation everywhere, even in the water sector? They were talking about the liberalisation of water and the textile industry---

Mr. Deputy Speaker: Order! Your time is up!

The Minister for Water Development (Mr. Ng'eny): Mr. Deputy Speaker, Sir, with those few remarks, I beg to support the Budget Speech.

Mr. Kariuki: Thank you very much, Mr. Deputy Speaker, Sir, for availing me an opportunity to comment on the Budget. The reasons given by the Minister for Finance about the downturn in the economy are lame and unacceptable. The issue at hand is that the Government has created strained relationships with the foreign donors. The International Monetary Fund (IMF) and the World Bank have put conditions on this Government, but it has failed to comply with those conditions. As a result, the IMF and the World Bank have not issued a clean bill of health on the Government. They do not trust this Government any more. They cannot entrust this Government with management of foreign aid. Therefore, they are making this country suffer greatly as a result of their mismanagement of the economy.

Mr. Deputy Speaker, Sir, corruption has been so rife that it is known all over the country. The Government has not been able to effectively address the issue of corruption. It ranges from top to the bottom. Fingers have been pointed at various sectors where corruption is rife. When we come up with a very good piece of legislation on how to curb corruption, the Government has failed to accept the proposals made by this august House.

The issue of insecurity has been rife and known all over the country. These days, you cannot set foot out of the City of Nairobi at night and walk in the streets, without being seriously clobbered by thugs. It is because we, as a country and the Government, have failed to address the issue of insecurity. That happens in every area that economic pursuit is being made by various people in this country.

Mr. Deputy Speaker, Sir, looking at the Budget itself, I think I would label it as a campaign Budget. It is a Budget that is geared towards wooing the Kenyan people to elect back this horrible Government of KANU that has caused misery to the people of this Republic. It is a Budget that is meant to please the people for the purpose of winning the elections. But what worries me is that after the so-called fair Budget, what will happen is that it will be followed very many mini-budgets that will be very harsh. That is one worry that we have. I hope this Government will not pursue that type of line because the public out there is aware of its dubious means of achieving its goals.

Mr. Deputy Speaker, Sir, when the Minister talks about banning importation of second-hand motor vehicles above ten years, he does not seem to understand how impoverished Kenyans are. Kenyans cannot afford buying a new car. If a new Toyota car is costing Kshs1.8 million and a good Toyota Corolla from Dubai costs only Kshs300,000, you can buy six second-hand Toyota Corollas instead of one new Toyota Corolla from Toyota Kenya. It does not make economic prudence at all to ban the so-called mitumba motor vehicles which the middle and lower class can afford. The so-called second-hand motor vehicles beyond the age of ten years are very suitable for the ordinary person. In fact, they are the means of transport that have helped Kenyans penetrate the various areas which were not accessible before. So, when the Minister talks about ten-year cars being banned, and using that argument to say that they are protecting the local assembly plants, one should wonder what cadre of investors you are taking care of. Are we going to protect 3,000 jobs at the expense of adversely affecting about 300,000 Kenyans who are buying those vehicles from Dubai?

Mr. Deputy Speaker, Sir, like we did last year, I appeal to this House to throw out that provision of banning of vehicles above ten years altogether, so that the Minister does not get away with punishing Kenyans who cannot afford to buy new cars.

Mr. Deputy Speaker, Sir, on the issue of extending a tax holiday to those listed companies, as a former stockbroker, I will commend the Minister for that move. It is true that at the moment, the Nairobi Stock Exchange has suffered adversely for there being no preferential treatment of listed companies against those that are not listed. This was a very good move by the Minister and I commend him. It is good he gave a tax holiday of five years or reduction of corporation tax on those companies that will be listed on the Nairobi Stock Exchange. This is a very good move. Kenyans should be encouraged to invest in companies that trade in this country, and that type of measure is very encouraging and we will support it to the hilt. It is very good.

(Applause)

Mr. Deputy Speaker, Sir, I cannot say the same with the agricultural sector, which I think was an oversight on the side of the Minister. He forgot to address that very vital sector which is the backbone of this economy. This economy would not have lasted without the support of the World Bank. The agricultural sector did not earn what it earns in tea and coffee production and horticulture that have sustained this economy. We should be supporting that sector. If you look at the tea and coffee producing areas, we are lamenting because the roads are impassable and this Government is so irresponsible because it only wants to milk the cow and you do not feed the cow that you milk. You should, as a Government, address those areas that are productive. You should not always as a Government be addressing areas which are net consumers. It is the net producing areas that should be addressed very seriously. Therefore, the Government should have catered for the agricultural sector, in particular, having preferential address on the roads in that area.

Mr. Deputy Speaker, Sir, if you look at the road between Makutano and Murang'a, it is totally impassable. The bridge at Saba Saba was washed away by the *El Nino* phenomenon four or five years ago, and it has not been repaired. The same *El Nino* phenomenon that occurred two months ago again washed away the same bridge and the road has big potholes. In fact, they are not potholes anymore; they are "goatholes" because goats can fit in those potholes. Our vehicles do not last for more than three months without replacing shock absorbers, and lorries cannot pass on those roads whereas they are the same areas which are feeding Nairobi with cabbages, carrots and potatoes.

Mr. Deputy Speaker, Sir, it is important for this Government to feed the very arm that feeds it. You cannot continue doing this and mistreating the areas that are net producers. I take a lot of exception to the fact that the Minister did not address this issue. In fact, I would address this to the Minister for "Roads and Transport", who is a good friend of mine, but has failed to address Central Province and he has currently favoured his own area in Rift Valley Province, like Baringo and Koibatek districts.

The Minister for Roads and Public Works (Mr. W.C. Morogo): On a point of order, Mr. Deputy Speaker, Sir. I agree the hon. Member is a good friend of mine, but how can he address me as the Minister for "Roads and Transport" while I am the Minister for Roads and Public Works?

Mr. Kariuki: Mr. Deputy Speaker, Sir, be it as it may, he knows what I am talking about. He is the Minister in charge of roads. I hope, in this Budget, he will have the courtesy to address the road between Makutano and Murang'a because it is totally impassable. We feed you people with cabbages, carrots and everything else. I am saying this because I am very bitter, and year in, year out, we have been addressing that road and the Minister has not taken the trouble to address it. I was in Koibatek two weeks ago and I was fascinated to see the road that leads to his area. It is so well catered for. It is constantly re-tarmacked, whereas Makutano-Murang'a Road is not being maintained. We cannot have a Government that discriminates against its own people. You must be fair to all sectors and roads in this country.

The Minister for Roads and Public Works (Mr. W.C. Morogo): On a point of order, Mr. Deputy Speaker, Sir. Could the hon. Member substantiate that remark by informing the House which part of Koibatek District he is talking of? I know we have only one road traversing Koibatek District, but almost three quarters of my constituency does not have roads. In fact, I have to walk to reach my people. So, how can the hon. Member say that we are discriminating when my Ministry has only done one single road in my constituency?

Mr. Deputy Speaker: Order! I think you understand what the hon. Member is saying.

Mr. Kariuki: Mr. Deputy Speaker, Sir, I would wonder what Koibatek District produces in this country, relative to what Murang'a, Nyeri and Kiambu districts are producing, and they deserve to have that preferential treatment to have better roads. You have nothing to produce that deserves attention.

(Applause)

The Assistant Minister for Labour and Human Resource Development (Mr. Ethuro): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to continue misleading this House that some areas are getting preferential treatment than others, and yet, last Saturday, I travelled across the Minister's constituency and noticed that half of it does not have tarmacked roads?

Mr. Deputy Speaker: Order! I think it is common knowledge that some areas have better roads than others.

Mr. Kariuki: Mr. Deputy Speaker, Sir, it is a fact. We do not have to belabour on a fact that is known, and I wish hon. Ethuro could travel because he has not travelled anywhere else except going to Turkana District.

(Laughter)

Mr. Deputy Speaker, Sir, on *mitumba*, once again, the Minister made a blunder for assuming that *mitumbas* are brought here as a matter of luxury. *Mitumbas* are now becoming a necessity. In fact, Kenya is now becoming the

"*Mitumba* Republic of Kenya" because Kenyans cannot afford new clothes. So, we are now a *Mitumba* Republic in terms of old cars; *mitumba* in terms of clothes; *mitumba* in terms of shoes and everything.

I support.

The Assistant Minister for Labour and Human Resource Development (Mr. Ethuro): Thank you very much, Mr. Deputy Speaker, Sir. I wish to support this particular debate on the Financial Statement on the annual estimates. I am particularly pleased that you have given me a chance immediately after the previous speaker because I am terribly concerned because he really made a lot of remarks that I believe do not foster unity. It is fair to complain, and I agree with him. A road in Murang'a should be tarmacked just as a road in Koibatek or Turkana districts should be tarmacked. However, when we come to this House with such ill motives, I do not think we will ever develop this Republic.

Mr. Deputy Speaker, Sir, I want to thank the Minister because for the first time there has been a lot of talk about livestock, because it has been completely forgotten for a very long time. It is a sector that has been confused with the dominant agricultural-based crop sector. Indeed, it is a sector that I believe offers a scope for real growth in this country.

Mr. Deputy Speaker, Sir, I will be careful with my speech because we have heard it before and I want to believe that this time it will be a different kind of story. This is because our livestock farmers will require an outlet for their beef and that outlet has not been forthcoming due to the collapse of the Kenya Meat Commission (KMC). The budgetary provisions for the livestock sector should also be extended to agricultural research. I am now aware that the Kenya Agricultural Research Institute (KARI) is downgrading the range research sector and combining it with animal health and disease. I think that goes against the grain of the Budget so that when we are talking about improving this particular sector, then it is necessary to be consistent with its implementation.

Mr. Deputy Speaker, Sir, the Budget covered a lot on disasters and emergencies and actually made very good provisions. I just wish that we have a permanent centre on preparedness because we are either having droughts, the *El Nino* phenomenon, the *La Nina* phenomenon or floods. At any one particular time we are dealing with disasters. I think it is high time we upgraded the Disaster Management Centre in the Office of the President to a fully fledged department so that we can deal with these particular disasters and harness the kind of problems that we are having.

Mr. Deputy Speaker, Sir, the Budget also has made provision on water dams. I think it has made a lot of provisions to support some of the marginal lands in this particular Republic. I want to commend the Government because we benefitted from the Chinese Project on construction of boreholes. That was one of the most successful projects. In my district, they did about seven boreholes within two weeks. They were very efficient and we managed to get water even where we had thought we could not get water. I think we need to be serious as a country and tap the potential in the rain water catchment areas. If we can harness the limited rain we get, then we can be able to utilise it during the drought season. This country claims to be Christian country and it is worth noting that one basic thing in the Book of Genesis is that when Joseph went to Egypt, he made sure that Egypt had enough food reserve for the dry season. Here, it is the opposite. We have heard that the NCPB is exporting maize. I would not be surprised, in the next one or two years, if we experience another food shortfall. We need to maintain our strategic reserve at all times so that we can be able to feed our country.

Mr. Deputy Speaker, Sir, I think the Budget has not been fair to the common mwananchi, especially on kerosene. We have Government statistics which show that the number of people joining the poverty line is increasing by the day, to the extent that more than half of the population is considered to be below the poverty line. I think anything else, no matter how small it might appear, that is going to worsen the situation in the rural areas should not be encouraged.

Mr. Deputy Speaker, Sir, there is a lot of provision on the education budget. We can give bursaries to students, we can increase food and textbooks, but if the teachers, who are the most resourceful group in this particular sector, are not motivated, I think we will be investing in the wrong way. I would like to appeal to the Ministry of Education to look into the issue of teachers because staff morale is extremely crucial. If they can be paid even a little, then they can be able to teach our children more effectively.

Mr. Deputy Speaker, Sir, I want to make some contribution on the infrastructure. There is no amount of good budgetary provisions that we can make if the infrastructure is still in a bad shape as it is. I agree that the COTEPA region should be developed, because they are producing cash crops. But I also want to tell hon. Members from the COTEPA region that other regions equally need to be developed, because they are all part of the great Republic. When the rest of this country is watching the World Cup, Turkana cannot even receive the radio signal of the Kenya Broadcasting Corporation (KBC). It is a sad commentary on the distribution of the resources in this country that some of us cannot partake. The road connecting Kitale to Lodwar is in such a bad shape; a place that used to have tarmac has no tarmac any more and we still expect Members of Parliament to operate from Turkana and Nairobi, just like our colleagues from Murang'a, who are just complaining about a bad road when there are no roads in other areas, and even

the ones that existed are no longer any roads. This is true of Mandera, Samburu and other major areas in this Republic.

Mr. Deputy Speaker, Sir, on the issue of identity cards, every person born in this country is supposed to be a Kenyan. I do not think we should ask people to pay money in order to get identity cards. This is a provision that the Government should make for free because I did not decide to be a Kenyan. I was born a Kenyan and I think the Government has the responsibility to ensure it is enumerating its people. This should be done for free. We have many Kenyans who cannot be counted because of this particular provision. The Kshs50 or Kshs100 may look little, but in some of these areas, like pastoral areas, people cannot even acquire identity cards. This means you cannot be able to plan for them.

Mr. Deputy Speaker, Sir, as I conclude, I think His Excellency the President in his Madaraka Day Speech, emphasized the need for Kenyans to work hard. I think we are developing a culture of laziness as a nation, where we are not taking our work seriously. As individuals, we need to promote this. We should not be politicking too much, but we should urge our people to work very hard.

Mr. Deputy Speaker, Sir, finally, I want to comment on the issue of extending the life of Parliament. This is an issue that I think we have to lead as a country. There is no way you can go to the elections under the current Constitution and you expect whoever will be elected to allow the country to change that particular Constitution. I think we have all agreed that the current Constitution gives the Presidency a lot of powers and if you were to give me that chance, I would be the last person to talk of another review because I would want to enjoy those powers. So, let us be honest and rise to the occasion. Let us not play to the gallery just because it appears good to the pressmen that we will have to say this. I think the Eighth Parliament has a historical obligation, an opportunity to ensure that we have a new Constitution that we can give to Kenyans so that whether we get elected or not, we have completed the task that we started. I believe that is the only way to be responsible. If that means extending the life of this Parliament, so, be it. There is no greater war than a constitutional crisis.

With those few remarks, I beg to support.

Mr. Mboko: Thank you very much, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute on the Budget Speech. While I do congratulate the Minister for Finance for his well presented Budget, I think it is too good to believe it. This is a public relations exercise. In fact, it lacks credibility in all its meaning.

Mr. Deputy Speaker, Sir, when we are emphasizing on industrialization, there are major factors which are the prime movers for any country to be industrialised. This country has no adequate electricity and, therefore, it is experiencing constant blackouts. You cannot develop if you cannot supply enough power. People in every sector in this country, both in rural and urban centres, must be supplied with power for the purpose of their own development; small-scale industries in the rural areas and the big industries in urban centres. The power supply from Kenya Power Company or KenGen, is not adequate in this nation. First of all, we must develop enough power supply in this country.

Secondly, there is the issue of water, for both industrial and agricultural use. This country has to develop enough water supplies because a city like Nairobi, with about 3 million people does not have adequate water supplies. The industries operating in Nairobi are forced to look for their own alternative source of water supply. That is why, in his Budget Speech, the Minister cautioned this nation that there is a big capital flight from Nairobi to other countries. While we are trying to lure investors to invest here, we should not expect new investors to come here because the atmosphere does not guarantee them security.

On the question of communication, telephone facilities are inadequate in this nation. You cannot communicate from one point to the other either because the telephone is not working or the telephone exchange is out of order. We cannot achieve any meaningful development in industrialisation without those facilities.

On the issue of food security for our people, Mr. Deputy Speaker, Sir, the Minister, in his Budget Speech, ignored fundamental factors like food security. In this country, food security is not guaranteed. For the last two years, our crops have been destroyed by the great grain borer which is sometimes referred to as "*Scania*" or "*Osama*". The Government cannot supply enough pesticides to control this great grain borer. Rural farmers whose farming activities are for subsistence cannot store food for more than three months. Therefore, food security in this country is not guaranteed. The Minister should have given farmers provisions to access credit from financial institutions to support their farming activities. Farmers in this country have been left to the mercy of God. Farmers in this country have no access to finance, extension services, professional advice and markets for their crops.

The people who live in the rural areas are the prime movers. They are the ones who supply food to this nation and yet they are normally ignored, neglected and no bank can loan them money. The Government must come out of this cocoon and finance our farmers, both small scale and large scale. The rural areas have been completely neglected. There is nothing in this Budget Speech to show how the rural areas will be assisted to catch up with the rest of the country. How will areas like Turkana, Pokot or Makueni where there is no single electricity line, catch up with the rest

of the nation? We are also taxpayers and when it comes to development projects, all Kenyans' interests should be taken care of and not just some areas. People in Central Province are lucky because they produce coffee, tea and dairy products but they cannot produce their own food to eat. They cannot produce their own beef or fish. We must see the rationale behind this. These are the kind of things that the Government should look into and give them a national approach.

The road network in this country has disadvantaged many people. Areas like Makueni, and more so, Kibwezi, produce 30 per cent of the country's agricultural exports and yet they are neglected. Farmers have no title deeds for their land, neither do they have access to finance. It is 40 years since Independence, and yet most of us in Kibwezi have no title deeds. How do you expect those people to know whether they own their own land? Most of us are squatters on our own land, and yet we fought for Independence because of land. The Government decided to own the other land and settle people on their own land. There is nothing you can do without a title deed. You cannot borrow loans or develop that land adequately because you do not know when you will be shifted from that area to another one. This Government must come out clearly with a land policy for its citizens.

Water runs all the way from Mt. Kenya and Ngong Hills to Mombasa and finally to the Indian Ocean and yet not a single drop of that water is stored for use by people who live along the river. We need to irrigate our farms otherwise there is no way we can have adequate food supply in this nation. Rain water alone will not provide us with sufficient food supply. Therefore, it is upon this Government to develop irrigation systems which will make our people self-sufficient in food production. In his Speech, the Minister for Finance said: "We shall harvest all rain water," but he did not say how this will be done. He did not tell us how much he will invest in dam construction or how many bulldozers the Government will buy. The Speech told us nothing. We need some real action if we are to develop this nation.

I do concur with the previous speaker about kerosene. Why punish that poor man and his household by charging Kshs1 more for kerosene? Why do you not pass over that cost to people who use gasoline and petrol? You should even increase the cost by Kshs50. You will realise more revenue that way than increasing that Kshs1 for paraffin. Students in the rural areas learn using paraffin because there is no electricity there. Their education will be most affected if the price of kerosene is adjusted upwards, because our rural schools which have no power rely heavily on paraffin for their studies. Therefore, instead of increasing the price of kerosene, we should look for another alternative like petrol. Petrol, which is used to fuel cars, is a luxury. People with cars do not provide any business for us. That car is for his own personal use and that of his wife or girlfriend. Such a man should be taxed instead of adjusting the price of kerosene upwards, which is for the *mwananchi*.

The Government should also address the issue of wood fuel. Although afforestation is a Government policy, we are not seeing any Government involvement in reclaiming forests which have been destroyed. They have left that responsibility to the citizens and they are not supported in this task. If you go to countries, like China, which take the issue of environment seriously, you will note that they are planting trees on all their mountains and hills and putting up terraces for soil conservation. Why can we not do the same here?

With those few remarks, I beg to support.

The Assistant Minister for Labour and Human Resources Development (Mr. Chanzu): Thank you, Mr. Deputy Speaker, Sir, for the opportunity to contribute and support this very important Motion because, without the Budget, Government activities cannot run. So, it is very important that we support this Motion. First of all, I would like to thank and congratulate His Excellency the President for the wise and capable stewardship of this country to date. This has enabled peace to prevail. In the process, our institutions are being run freely and we are able to make decisions freely in a manner that befits our people. That is the reason why you will find that in the Budget Speech, which we are discussing at the moment, apart from very few areas which were inevitable, like taxation on paraffin, the rest of the aspects were well thought out and carefully worked out.

The Minister has strived to come out with a balanced Budget bearing in mind that previously we have had the donor component in the Budget. When it was not possible to realise the donor component of the Budget, it became a big problem to implement it. This meant that we had a lot of mini-budgets and that has been very detrimental to the running of our affairs because wananchi did not expect that we would have a shortfall in funds and that they would be taxed again. That affected our programmes very seriously. This time the Budget has come out very clearly without this donor component. If the donor funds are resumed, they can be spread on the items which have shortfalls in the Budget. But for now, I wish to congratulate the Minister and the Ministry's staff because the Budget is quite ideal for our situation.

Mr. Deputy Speaker, Sir, when you look at the measures that the Minister has put in place, you will find that the major intention for the Budget is to spur growth in various sectors. For example, the cotton and textile manufacturing industries have suffered because we allowed importation of sub-standard items and textiles from outside at lower prices. This meant that the textile and cotton industry in the country could not grow. I support the idea of

increasing duty on imported second-hand clothes from Kshs15 per kilogramme to Kshs25 per kilogramme as this is intended to protect the textile and cotton industry in the country.

Mr. Deputy Speaker, Sir, the other aspect - again it is just an example that I have picked from the Minister's Speech - is the local motor vehicle manufacturing or assembling sector. By reducing duty payable on imported Completely Knocked Down Kits (CKDs) from 3 per cent to 0 per cent, this means that we are encouraging local assembly of motor vehicles at competitive prices which should be affordable to most of the Kenyans who would like to purchase vehicles. This then will reduce the amount of vehicles that come in the so-called *mitumbas*. This will minimize it. I think that can make vehicles locally assembled affordable to most of the Kenyans.

The other commendable aspect is that the Minister considered reducing duty on all raw materials not produced locally, which previously have been charged between 3 per cent to 5 per cent. This was reduced to zero rate. I believe that will be good for sectors like agriculture. We have been talking about agriculture being very expensive; producing foodstuffs in the country has been very expensive to our farmers, because you will find that the inputs - fertilizers and machinery - have been very expensive. By the end of the day, it ends up costing much more than it would cost to produce foodstuffs in the country. But I am sure that with this reduction, the farmer should be able to get the inputs; fertilizers and machinery at a reduced price, and this is going to help our economy.

The Minister provided Kshs200 million in the Budget for Rural Electrification Programme (REP), which I find very insufficient because this will mean less than Kshs1 million per constituency, and this cannot work. It is hoped that the Minister will look into ways of raising this money, which we hope we will get, because donor funds have not been budgeted for. After the Budget, he mentioned that donor aid is likely to resume after the meeting in July. If this were to happen, I would appeal that more funds are put towards REP because, if we have to industrialise by the year 2020, then, we need to have REP in our rural areas so that we can have sectors like *Jua Kali* developing and prospering for the growth of the economy.

There has been a lot of money provided for the Ministry of Agriculture and Rural Development under "Extension Services." But this is an area where you also find a lot of misuse of money. I hope the Ministry of Agriculture and Rural Development will put in place measures which will be able to control and monitor the utilisation of the money that is provided for under "Extension Services," because this is what we require if our agricultural sector has also to grow.

I was also happy that the Minister touched on the utilisation of LATF. We have all noticed that there has not been proper utilisation of LATF. I think the main problem has been because of the original setup or original intention; how the instructions went down to the local authorities. I have found out that in some of the cases a councillor, singlehandedly, would like to spend money intended for LATF projects. I think in that case there is no transparency and accountability. I am happy that the Minister has assured in the Budget that measures are going to be put in place to control the utilisation of LATF.

Mr. Deputy Speaker, Sir, regarding the constituency funds for roads - the District Roads Committee - I think we need more money because we need to develop our infrastructure so that our farmers have access to markets when they want to market and sell their produce. So, the money that is allocated for the constituencies must be given out timely. We have had instances where money is disbursed at a time when we have got heavy rains, when work is done on the ground---

With those few remarks, I beg to support.

Mr. Karume: Asante sana, Bw. Naibu Spika, kwa kunipatia nafasi hii ili nami niseme machache kuhusu Bajeti ya mwaka huu. Kwa njia nyingine, ilionekana kama ni Bajeti ya maana na nzuri, lakini jambo ambalo lafaa kuulizwa zaidi ni: Hizi pesa zinazopitishwa hapa zinatumika vizuri? Kila mwaka tumekuwa tukipitisha Bajeti mwezi wa Sita hapa na tunaambiwa ya kwamba hizi pesa zitakwenda kufanya kazi hii na ile, lakini baadaye ukizunguka katika nchi yetu, utaona ya kwamba ni machache yanayofanywa. Kwa hivyo, wananchi na sisi tunauliza: Hizi pesa tunazopitisha zinaenda wapi baadaye?

Tungeuliza Serikali ihakikishe ya kwamba pesa zinazopitishwa hapa zafanya kazi fulani iliyotengwa. Hiyo ikifanyika, wananchi wataona kwa kweli Serikali inawafanyia kazi. Lakini sasa, tumekuwa na taabu, kwani kazi yetu ni kupitisha pesa lakini hatuoni kitu gani kinachofanyika.

Kilimo ni sekta ya maana katika nchi hii; hata nchi zingine. Lakini inaonekana ya kwamba wakulima wa nchi hii hawana usaidizi. Wana taabu sana. Wale wanaokuza miwa hawapati chochote. Unasikia miwa inapotea; hawana pesa. Wakipeleka miwa kwa kiwanda, hawalipwi pesa hata kidogo. Utaona ya kwamba wamekuwa maskini. Ukichunguza, utasikia mara nyingine ya kwamba kuna sukari inayoletwa nchini kutoka ng'ambo bila kulipiwa ushuru kwa nchi hii. Kwa hivyo, ni vizuri Serikali ifikirie sana vile wakulima wa nchi hii watafaidika na kuchungwa. Kama mwaka jana, wakulima wa mahindi walilima mahindi ya kutosha katika nchi hii lakini mengi yanaoza katika mashamba na maghala, kwa sababu hakuna watu wanaowasaidia wakulima hata kidogo. Hata wakienda Eldoret au mji mwingine kuuza mahindi, inakuwa vigumu kwa wao kulipwa pesa. Wakulima wakipeleka bidhaa zao kwa

halmashauri ya nafaka nchini, hawalipwi. Huambiwa wachukue mbolea na mafuta ya diseli.

Kwa hivyo, inafaa tuzingatie kukuza kilimo katika nchi hii. Ukulima wa kahawa nchini umefifia sana. Wakulima sasa wameacha kukuza kahawa. Hata bei ya kahawa ikiimarika tena, wakulima wa wa zao hilo hawatafaidika. Wameacha kulima zao hilo kwa sababu ya tabu walionayo.

Maji ni muhimu sana. Kama watu katika sehemu kame kama vile Ukambani na sehemu nyinginezo wangekuwa na mabwawa ya maji, wangekuza mazao kwa njia ya kunyunyizia maji mashamba. Watu wangelima na kuanzisha viwanda vidogo vidogo, na hivyo kupata ajira. Kama unavyojua, taabu iliyo kubwa zaidi katika nchi hii ni ukosefu wa kazi. Hakuna viwanda vipya vinavyoanzishwa. Viwanda vilivyoko vimefifia. Viwanda kama vile Kenya Meat Commission (KMC), kile cha kutengeneza magunia kule Juja, na viwanda vingenevyo, vimefifia.

Watoto wetu wanakaa nyumbani baada ya kutoka chuo kikuu kwa sababu ya ukosefu wa kazi. Hii ni kwa sababu ya utendaji duni Serikalini. Hatujui jinsi pesa tunazopitisha hapa kila mwaka zinavyotumika. Kwa hivyo, tungependa Serikali izangatie zaidi swala la kuanzishwa kwa viwanda zaidi ili watu wapate ajira. Vijana wengi waliohitimu katika nyanja mbalimbali wanakaa nyumbani bure. Watoto wengi hawaendelei na elimu kwa sababu ya kuzorota kwa uchumi.

Bw. Naibu wa Spika, nimefurahi kwa sababu Serikali imeanza kukarabati ile barabara ya kutoka Kiambu kuelekea Laini hadi Limuru. Lakini, mradi huo umechukua muda mrefu. Kwa hivyo, ningependa kumwomba Waziri wa Barabara na Ujenzi, ambaye yuko hapa, afikirie jinsi ya kuharakisha ujenzi wa barabara hiyo. Mradi huo umechukua muda mrefu sana. Sasa kumeanza kufanyika ajali katika barabara hiyo kwa sababu ya mchanga uliomwagwa juu yake.

Katika sehemu ya uwakilishi Bungeni ya Kiambaa tulikuwa na bwawa la maji. Serikali ilinunua mashamba yaliyokuwa karibu na Mto Ruaka. Serikali ilitumia pesa nyingi kuwalipa wenye mashamba ili bwawa hilo lijengwe ili watu wa Kiambaa waweze kupata maji. Zaidi ya miaka 20 imepita sasa, na hali mradi huo huajakamilika. Hakuna cho chote kinachofanywa ili kuukamilisha mradi huo. Kwa hivyo, tungependa Wizara ya Maji ifikirie jinsi ya kulijenga bwawa hilo. Watu wa Kiambaa wakiwa na maji watanyunyizia mashamba yao maji. Wakulima wa Kiambaa watakuza mboga na matunda na kuwauzia wakaazi wa Nairobi.

Bajeti ya mwaka huu ni nzuri. Lakini kuongezwa kodi kwa mafuta ya taa kutamwumiza mwananchi wa kawaida. Siku hizi baadhi ya watu walio na uwezo wa kifedha wanashindwa kulipa bili za stima kwa sababu bidhaa hii imekuwa ghali sana. Watu wengine ambao walikuwa wakitumia stima sasa wanatumia mafuta ya taa. Kuongeza kodi ya mafuta ya taa ni kuwaumiza wananchi wa Kenya. Kwa hivyo, siwezi kuliunga mkono pendekezo hilo. Inafaa tuwahurumie wananchi wa kawaida. Inafaa tukumbuke kwamba wengi wao hawana ajira.

Bw. Naibu wa Spika, sekta ya utalii nchini imefifia. Hoteli nyingi za kitalii kule Pwani zimefungwa. Kila hoteli zinapofungwa, wafanyakazi hufutwa kazi. Badala kujengwa kwa hoteli nyingine, zile zilizopo zinafungwa. Kuondoa kodi ya hoteli za kitalii ili hoteli hizo ziweze kujipamba na kujipanua, hakutoshi. Utalii huiletea nchi hii kiasi kikubwa cha fedha za kigeni. Kwa hivyo, tungependa Serikali ifikirie jinsi ya kuiimarisha sekta hii.

Hoteli nyingi zinaendelea kufungwa kwa sababu benki katika nchi hii hutoza viwango vya riba vya juu sana kwa mikopo. Inafaa Serikali izingatie zaidi swala la kuimarisha biashara ya hoteli za kitalii. Watalii huiletea nchi hii fedha nyingi za kigeni. Biashara hiyo inafifia kote nchini. Ni kana kwamba sekta zote za uchumi wetu sasa zimeanguka.

Bw. Naibu wa Spika, Serikali haijaweka juhudi ya kutosha kukabiliana na janga la ukimwi. Wakenya wanakufa kwa wingi kutokana na ugonjwa wa ukimwi. Sasa, kazi imekuwa ni kuzika watu kila siku. Kamati za kuwahamasisha wananchi juu ya ugonjwa huu zimeanzishwa katika kila sehemu ya uwakilishi Bungeni lakini kamati hizo hazifanyi kazi yoyote kwa sababu hazina pesa, ama vifaa vyo vyote. Kwa hivyo tungependa Serikali ilizingatie jambo hili.

Singependa kuzungumzia swala la marekebisho ya Katiba. Lakini kama Tume ya marekebisho ya Katiba inataka kuihudumia nchi hii, basi ijitolee kufanya kazi usiku na mchana. Tume hii ikifanya hivyo, itakamilisha jukumu lake mwaka huu. Pengine makamishina wa Tume hiyo wanataka waongezewe muda ndio waendeleo kulipwa mishahara minono. Wananchi hawafurahii pendekezo la kuongezwa kwa muda wa Bunge. Kwa miaka arobaini sasa, Wakenya wamezoea kufanya uchaguzi kila baada ya miaka mitano. Wananchi hawaelewi uhusiano uliopo kati ya Tume ya marekebisho ya Katiba na uchaguzi wa rais na Wabunge. Kwa hivyo, ningependa Tume ifanye kazi usiku na mchana ili ikamilishe shughuli yake.

Ningependa uchaguzi mkuu ufanywe katika mwezi wa Desemba kama kawaida. Wananchi walitupa kandarasi ya miaka mitano. Ukimpa mtu kandarasi ya kukufanyia kazi kwa muda wa miaka mitatu, muda huo ukiisha hawezi kujiongezea muda mwingine. Atafunga virago na kwenda nyumbani, isipokuwa kama mwajiri wake amemwongezea muda. Sisi tumeandikwa na wananchi. Lakini tukija hapa tunawasahau; tunataka kuendelea kuwawakilisha. Kwa hivyo, mimi siwezi kuliunga mukono pendekezo la kuongeza muda wa Bunge hili. Tukifanya hivyo, tutakuwa tumeajiriwa na nani? Wananchi walitupa miaka mitano kuwawalisha katika Bunge hili. Muda huo

utaisha Desemba. Katiba ya sasa, imetuhudumia kwa miaka 40. Hatujakuwa wagonjwa. Sisemi kwamba katiba isibadilishwe lakini ninaomba tuharakishe shughuli ya marekebisho ya Katiba ili ikamilike kwa muda uliotengwa ili tufanye uchaguzi wakati wa kawaida.

Bw. Naibu wa Spika, ninaiunga mkono Hoja hii.

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey): Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to comment on the Financial Statement.

Mr. Deputy Speaker, Sir, I think the Budget Speech was a fair presentation. It reflected on the economic realities in which we are today. My only worry is that, for the last five years, we have been appealing for development to reach all parts of the country. Although we are going through financial difficulties, we thought that the Minister for Finance would make a deliberate effort to have the Mandera-Garissa Road tarmacked, so that the North Eastern Province could also be opened up.

There is no particular region in this country which has exclusive resources. Kenya is endowed with a lot of resources. Every region has got a lot of unique resources. If the resources in every region could be harnessed, Kenya would be a richer nation today. Therefore, I want to appeal to the Minister for Finance that, as he seeks for support in terms of mobilising resources both within and outside the country, he should very seriously consider allocating some money to the North Eastern Province for the construction of the main highway from Nairobi to Mandera. The highway is tarmacked from Nairobi to Garissa, but from Garissa all the way to Mandera, it is not tarmacked. If this highway is tarmacked, the people of the North Eastern Province will easily transport their livestock to Nairobi or engage themselves in other forms of trade because infrastructure is the mother of development.

Mr. Deputy Speaker, Sir, we know that we have had some financial problems in this country. This country needs the support of friends and development partners. Friends and development partners who attempt to help us have been frustrated by Kenyans. Hon. Members of the Opposition in this country have not understood what it means to engage in opposition politics. The Ministry of Foreign Affairs and International Co-operation knows that Opposition hon. Members quite often meet ambassadors and other partners who are willing to help us but in most cases, they do not speak the Kenyan language. When they meet these ambassadors, they talk party politics depicting the Government as being not ready to reform and support the Kenyan people, thus denying the Kenyan people the support that we require to supplement our resources.

Mr. Deputy Speaker, Sir, therefore, I just want to appeal to my colleagues that we require patriotism in this country more than ever before. This country has maintained stability within a region of chaos. We know that in Africa, Somalia has collapsed, Ethiopia and Sudan are in problems, and no country in this region can sufficiently claim to be as stable and as secure as Kenya. We need patriotism and reflection from the Opposition hon. Members of Parliament. They should go outside the country and plead with our development partners for assistance for funding programmes that are geared towards the development of our country.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, in his Budget, the Minister has underscored the need for this country to undertake a comprehensive constitutional review. He said that funds are there to finance this very important exercise. We know that for the last ten years, we have been struggling, as a country, to put in place a new constitutional order for this country. In this regard, the President had even indicated that this could have been done fairly by a few experts. But the hon. Members of the Opposition insisted that they required a people-driven constitutional reform to an extent that they made hon. Members of Parliament, who have been elected by the people, irrelevant in the process of the constitution-making.

We, therefore, delayed the process while trying to put the Commission in place. Essentially, the President would have appointed a few experts to review the Constitution and by now, we would have had a new constitutional order. The Opposition hon. Members insisted that we should have a people-driven constitutional review process, and this delayed the process. Today, we are paying the price for this. We are saying that, as a Government, we must show leadership. This country has spent so far more than Kshs3 billion in an attempt to see how best we can rewrite the Constitution. We cannot allow all that amount of money to go to drain. We need to see the process to its logical conclusion. That is why the Parliamentary Select Committee on Constitution Review had recommended that the extension of the life of Parliament is inevitable, not because hon. Members want to stay longer, but because we need to oversee this process to its logical conclusion.

Mr. Karume: On a point of order, Mr. Temporary Deputy Speaker, Sir. I am sorry, I did not want to disturb

my friend, but is the hon. Member in order to say that it was the Opposition which insisted that it wanted to have a people-driven Constitution? He knows very well that even His Excellency the President of this country said that the constitutional review process was not the responsibility of the hon. Members of Parliament, but it was the responsibility of the wananchi, and so we had to get their views.

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey): Mr. Temporary Deputy Speaker, Sir, I agree with the hon. Member that the constitutional review process is the responsibility of the common mwananchi. Kenyans have expressed their wish through their Members of Parliament. They have mandated us to come to Parliament and represent them in all ways, including changing the Constitution when the need arises. But because of mischief on the part of the Opposition in this country, we have deliberately delayed the process by asking for the so-called people-driven constitutional review. The Opposition hon. Members know that time has caught up with them and they want to say that---

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to use unparliamentary language? He has referred to hon. Members on this side as being mischievous. Should he not be asked to withdraw that unkind remark?

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey): Mr. Temporary Deputy Speaker, Sir, the word "mischievous" may not be a kind remark, but it is not unparliamentary. I know that hon. Members from the Opposition are mischievous. The word is not unparliamentary and, therefore, I do not intend to withdraw it because I know that these hon. Members are not very kind to the Government and to the people of this country.

Therefore, we, as a Government and even as a political party, want to provide leadership. We want to provide leadership by leading this country from ahead and not from behind. I want to appeal to my colleagues to be serious because we do not want to have a constitutional crisis in this country come 4th January, 2003, as it has been indicated. Therefore, we need to come together as a nation more than ever before and think about this country first and foremost.

The other aspect that the Minister underscored in the Budget was the issue of peace and security. I just want to congratulate the Minister for providing sufficient funds to our security forces, especially to the armed forces who maintain peace in this country. This will provide the members of the armed forces with the necessary incentive that they require to make them happy in order for them to secure our borders. I want to propose that because of the role that is played by His Excellency the President in trying to find solutions to the conflicts in this region, we approve in this House the establishment of a peace centre in this country, so that we can train peace-makers in this region. What we require much more in this region are ambassadors of peace rather than ambassadors of anarchy and destruction. If we could establish such a centre, this would encourage a lot of investors into the country.

Finally, I want to thank the Minister for having thought about the revival of the Kenya Meat Commission (KMC). This is important for the livestock farmers in this country. But as we struggle to revive the KMC, I want to encourage the Minister, and the Treasury officials, to see how best they can establish abattoirs and slaughterhouses closer to the pastoral farmers in the northern region of Kenya. Even though I have no problem with the revival of the KMC, it might not be of use to the people of the North Eastern Province. If we can have an abattoir in Habasweini, another one in Garissa and another one in Isiolo, we will not have to travel all the way to the KMC grounds to sell our livestock. The Minister should also look into the possibility of having airports in the northern region of Kenya for us to supply our meat products to the Middle East and increase the income of our people.

With those few remarks, I beg to support.

Eng. Toro: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance.

As usual, the Minister for Finance attempted to give an exemplary Budget Speech. However, after every Budget Speech is presented and allocation of Votes to various Ministries is done, implementation becomes a problem. This is because the Minister for Finance does not control the other Ministers. So, whatever amount of money the Minister has allocated to the various Ministries is misused, he is powerless to do anything.

Mr. Temporary Deputy Speaker, Sir, it is worthwhile to note that the economic problems we have are as a result of the inconsistencies we have in the Moi Government. In the Moi Government, we have had so many Ministers for Finance. If I may remind Kenyans, for the first 19 years after Independence, we had only two Ministers for Finance, the late hon. Gichuru and hon. Kibaki. But for the next 20 years, we have had six Ministers for Finance. When Mr. Kibaki left the Treasury as the Minister for Finance, we had Prof. Saitoti, Mr. Mudavadi, Mr. Nyachae, Mr. Masakhalia, Mr. Okemo and now Mr. Obure. All in a span of 20 years! Unless we reverse the trend of sacking the Minister for Finance every year, we are not going anywhere.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance allocated money for school bursaries and even textbooks but he never said anything about the teachers' pay increase. For the education sector to flourish, teachers must be well remunerated. The pay package for teachers was omitted in this Budget. The millions of shillings allocated for bursaries and textbooks are not enough. Even if the Minister gives that money to schools and the teachers are

demoralised, then we cannot talk about improvement in our education sector. We would like the Minister for Education to be specific and say whether he is going to pay the teachers as was agreed on. The issue of teachers' strike is still pending. Negotiations are going on but still, there is no goodwill from the Government to indicate that they are going to give teachers any enhancement, however little it would be, but not the usual insult of paying them Kshs2. It should be something that is compensatory so that the teachers can be able to teach. That crisis is still there and we cannot wish it away.

Mr. Temporary Deputy Speaker, Sir, on the issue of the importation of second-hand vehicles, and banning of the importation of second-hand vehicles over ten years old, the Minister was not guided properly in that decision. If we want consistency in policies, then he should have said that any vehicle which is over ten years should not be on Kenyan roads. What is the rationale of banning the importation of a ten-year old vehicle from Japan when we have 20-year old vehicles running on our roads? It does not make sense at all! That cannot be a policy! Let the Minister be assured that we are going to lobby against that decision. Kenyans are importing second-hand vehicles not because they wish, but because that is what they can afford. Protecting the motor industry does not even make any economic sense. We do not manufacture any vehicles in Kenya. We are just assemblers. The market for new vehicles in Kenya is different from the market for second-hand vehicles. So, people who want to import second-hand vehicles should be allowed to do so. That is what they can afford. Otherwise, that decision to ban the importation of second-hand vehicles does not make sense and the Minister should be advised that we are going to fight that when it comes for debate.

Mr. Temporary Deputy Speaker, Sir, on the issue of second-hand clothes, the duty increase on the importation of second-hand clothes cannot help the economy of this country. The reasons advanced by the Minister for this action is that we would like to revive the cotton industry. We cannot revive the cotton industry overnight. It will take time! What killed our cotton and textile industries in the first place? That is what should be addressed. We should come systematically from there so that we can achieve our objective. But, according to the Minister, he wants to attain that objective overnight. It cannot happen! So, when second-hand clothes become expensive for Kenyans, do we want Kenyans to start walking naked or what do you want to do? Kenyans are just decently dressed in second-hand clothes not just because they want, but because that is what they can afford. If we are thinking about the ordinary mwananchi, then we have got to bear in mind that we are in an economic mess and people do not even have money to buy good clothes. That is what they can afford. Let the Government continue providing to Kenyans what they can afford, but not what they cannot afford. The second-hand clothes industry is worth Kshs3 billion. It has employed a lot of people and you cannot kill it overnight. Let us address ourselves to this problem, so that we can systematically come out of that mess by developing the textile industry. Until such time that the textile industry is re-developed, then we have no business to tell Kenyans not to buy second-hand clothes.

Mr. Temporary Deputy Speaker, Sir, on agriculture, the Minister talked about value adding. I will specifically comment about one sector which would do Kenyans a lot of good - the coffee industry. We sell our raw coffee beans to roasters in overseas countries. If we want to earn more foreign exchange, then the Government should have addressed itself to the issue of value adding in the coffee industry by roasting coffee in Kenya and exporting Kenyan coffee as "Kenya Coffee." Right now our coffee, which is reputed to be the best in the world, is used for flavouring other coffee from Brazil, Colombia and so on. Why do we not market our coffee as "Kenya Coffee?" When you travel overseas, you can see Brazilian Coffee but you cannot Kenyan Coffee. The Minister for Agriculture should address that issue as one way of value adding in our commodities.

Mr. Temporary Deputy Speaker, Sir, on the issue of industrialisation, we have seen our industries going down over the years and now, we are talking about industrialisation by the year 2020. The Government does not seem to have the right policies in place for industrialisation. How do you industrialise and yet those industries will require power which is so expensive in Kenya? Before we talk about industrialisation, the Government should have in place policies to have cheap power for industrial use. We talk about rural electrification and yet we do not have adequate supply of power. If the Kenya Power and Lighting Company was not supported by the Government, it would be under receivership by now. They are not doing anything to supply power to Kenyans! Instead, they are misusing that sector. The issue of power supply should be addressed urgently if we are going to achieve industrialisation. The urgent "industrialisation" we need is on the agricultural sector. Could we have all sectors of agriculture revived?

Lastly, the Minister talked about the revival of Kenya Meat Commission (KMC). How can we revive the KMC when we do not have the holding ground? The holding ground was sold out. So, we should have the holding ground first before we start talking of reviving the KMC.

With those remarks, I beg to support.

The Minister for Mineral Exploration (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, I stand to support the Motion on the Budget Speech.

This year's Budget is the first one that has been presented to this august House without or with zero donor support. For a country or an individual, there must be a beginning point for everything.

During last year's Budget, the then Minister for Finance had earmarked donor support in the Budget but, unfortunately, we did not receive it. We are still trying to sustain the running of activities in this country. It is good that I have spoken after my friend, Eng. Toro, who said that we have had more Ministers for Finance during this regime than the previous one.

Mr. Temporary Deputy Speaker, Sir, we had Messrs. Gichuru and Kibaki as Finance Ministers and this is the reason why Central Province has more tarmacked roads than any other part of the country; because of their tribalistic thinking. We need people who---

Eng. Toro: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Minister to talk about tribalistic tendencies of the first two Finance Ministers, while he should bear in mind that, even during the colonial days, when the people from Central Kenya were fighting for Independence, those infrastructural facilities were put there by the colonial government because of the agricultural output of the province?

The Minister for Mineral Exploration (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, I do not want to welcome this argument which has not even been there.

I am one of the people who fought for Independence and those roads were not there. So, I will address the question of agricultural activities. When the Berlin Wall fell, it crumbled on the world systems. One of the systems that crumbled were the things such as non-aligned countries, the Commonwealth countries, *et cetera*. These countries crumbled because the whites realised that they were fighting among their cousins. For example, the whites have come together to help one another. So, those funds which used to be sent to countries like Kenya, West Indies, which are Third World countries, are earmarked for their cousins in Europe. So, what do we do? They normally come here and exhaust us by telling us to do this and that, as if it is a high jump event! No one has ever cleared all the steps in high jump!

Mr. Temporary Deputy Speaker, Sir, the donor community behaves as if it is dealing with sportsmen and women in the high jump event. You jump one step, and when you clear it, you are given another step higher. But if you fail to clear it and it falls down, it is returned for another trial. So, it is the same way that the donor community is behaving. They have exhausted our thinking by telling us to do this and that, simply because they would not come to our aid until we change our own attitudes. It is not only the Government that needs to change its attitude, Kenyans should stand up and change their attitudes.

Mr. Temporary Deputy Speaker, Sir, the world has gone global and, therefore, there is globalization system and the internet, whereby you can have your own coffee and market it all over the world. You can have your own tea and market it all over the world! When we stick to the old systems and we do not follow the criteria, as the world is moving on, we will talk and talk and we cannot move out of that place. So, the economy is determined by how you produce and market your products. Therefore, when we blame the Government on low production of coffee, the Government does not have farms on which to produce coffee! It is the individuals who have farms somewhere. It is that farmer who should concentrate on his or her farm for quality production of farm products. But when somebody has a farm and a hotel in Mombasa, and another farm with sugar-cane in Western Province and, a fleet of lorries; he or she cannot concentrate on one issue. So, to concentrate, let those who produce coffee think about quality production, those who deal with tea should do the same. Those who deal with animals should do the same, the animal husbandry should produce quality products. Kenya is divided into zones; the North Eastern Zones, Baringo and Maasai zones, those are people with animals. Therefore, the economy should be re-directed or directed to them as per their productivity so that the country can pull together.

Mr. Temporary Deputy Speaker, Sir, on the issue of the running of this country, the infrastructural facilities; roads and so forth are important. Since the establishment of roads committees, good things are happening in our constituencies and, therefore, we have access roads which help farmers to transport their farm produce to the markets. For example, in our area, we have so many access roads which are being constructed by local people on their own, within given areas. For example, I thank the Minister for Finance for giving us money to refill the road from Meru to Maua and down to Kanuni with an extension from Maua to Kanuni.

Mr. Temporary Deputy Speaker, Sir, we have another road that we are developing and I hereby request the Minister to give it more support. This is a transit road that would join Kibwezi, Kitui, Maua, Kangeta, Isiolo, Marsabit, Moyale up to Ethiopia. If we could have the South-North Corridor Road, it would help the people of Ukambani market their goods or animals in the northern part of our area and it would help people from Igembe, Mtuati, Tigania and Isiolo to market their goods in Ukambani. At the same time, it would be a shorter access road from our area to North Eastern Province, Garissa, Mandera *et cetera*. The best way to go about developing this region is to develop these access roads within our area. There is only one bridge which is not yet constructed, otherwise, we should be driving from Maua to Mombasa. Soon that bridge will be completed and that access road will be helpful to the constituents, Tharaka people and others. So, this is the only way we can develop the economy. We should not blame one another.

Mr. Temporary Deputy Speaker, Sir, I would like to speak about the issue of the extension of the life of

Parliament. When I say leaders; I mean President Moi with his KANU leaders, Opposition leaders and even church leaders--- We have to think and ask ourselves what the Constitution is all about. I know there have been Commissioners of the Constitution of Kenya Review Commission (CKRC), moving around our constituencies. But they have only been talking about women having *shambas* and who should own what. But the Constitution constitutes the life of any country. Therefore, let Kenyans think about it this way: For example, we said that the constitutional review process should continue beyond December this year. For example, if the Commission completes its work in May or some time next year, and then we have a new Parliament with an old Constitution, will they then accept to move out and go for an election? Definitely, they would not accept, because they would have been elected through a constitutional process, which is an old constitution. Therefore, they may stick there and the people coming with the new Constitution will also force their way to come in. So, let Kenyans think about it that way, we might be inviting resolutions by an AK-47.

So, the extension of the life of this House, for a few months, is more humane than just pushing issues into a deadlock or a dead end.

With those remarks, I support.

Mr. Muchiri: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to start with the issue of insecurity in this country. Unless this Government improves security in this country, it should not expect the economy to improve. Every day in this country, we lose over 100 people through thuggery, robberies and murders. We have raised these issues in this House, and the Minister promises us that he will take action, and yet he does nothing. The Minister has got very good public relations. I think the Minister should visit Arab countries and realise that the crime rate in those countries is zero. There are no theft incidents, robberies, policemen carrying guns on the streets or arresting people unlawfully in those countries. In this country, arresting of people is a daily occurrence. I would like to point out that policemen arrest people in the streets and estates of Nairobi for no apparent reason. These people are detained in police stations. I raised that matter here yesterday and the Minister dismissed it. Unless the Minister considers re-training the policemen, who have decided to join thugs in this country and rob ordinary Kenyans, insecurity will be rampant and the economy will continue to perform poorly because no investor will come to this country to invest. I would like to point out that police stations have been turned into dens for policemen to solicit bribes and we cannot allow this to happen.

If you look at the City of Nairobi, you will find that we do not have the sewerage system in place, and health facilities have collapsed. You should not be surprised to see gentlemen in decent suits urinating along Kenyatta Avenue, and nobody is there to stop them. We have visited other countries where you cannot even see a piece of paper on the streets of those cities. This is the case, and yet we say that we have a Government in this country. This is a Government which does nothing. When we come to this House and ask Questions, the Ministers apply public relations, which we do not want. We would like action to be taken.

On schools, the Minister has been promising us here that no child will be sent away from school because of lack of school fees. As I speak here, and I can see the Assistant Minister for Education, Science and Technology, thousands of young people are at home because they have been sent away from school for lack of school fees. This is the case, and yet the Minister was here the other day promising us that no child will be sent away from school for lack of school fees. Surely, how can we come here---

The Assistant Minister for Education, Science and Technology (Mr. Ojode): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member who is contributing in order to mislead this House that there are several pupils or students who have been sent away from school because of lack of fees, whereas there is a circular which states that no pupil should be sent home as a result of any levies, leave alone lack of school fees? If at all the hon. Member is telling this House the truth, let him substantiate his allegations.

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, I do not even need to substantiate what I am saying. I gave the Information Minister, who is leaving the documents, and I have already written to this Assistant Minister. This shows that of late, he has not been in his constituency. I would like to say that I am in contact with my constituents. I would like to inform this House that parents whose children have been sent away from school for lack of school fees have come to my office in thousands to complain. I do not want to waste time on this aspect. Let me proceed with my contribution.

At the same time, this Government made an agreement with the teachers that it was going to pay them the remaining phases of their salary increment. Why has the Government not paid these teachers? These teachers will move to the streets and we shall support them. All I am saying is that let us not have Cabinet Ministers who come to this House to promise things which this Government will not fulfil. Let them tell Kenyans that they will not do this and that.

On the issue of title deeds, this Government promised Kenyans that it will ensure that they would be issued with title deeds about ten years ago, which it has not done. How does this Government expect Kenyans to go to the

banks and borrow money when they do not have title deeds? This is the case, and yet they know that this is a country where education is valued on the papers, but cannot be taken as a security in the banks. This Government has educated thousands of Kenyans who are on the streets. We have many graduates, Form Four and Standard Eight leavers, and yet nobody has ever thought or asked himself or herself where these people go. I would like to inform this House that all these people are in the streets. In the whole of Kasarani and Embakasi, there are no title deeds. How does this Government expect Kenyans to employ others or improve their businesses?

The other aspect I would like to touch on concerns roads, which every hon. Member has raised. The Government promised us that it was going to make these roads, and yet it has not done a single road. We move round the country and we see roads being repaired. What has been happening here is that we come here and vote money which ends in the pockets of some individuals. We have been promised that these people will be prosecuted, and yet nobody has been prosecuted. What are we doing here? Eventually, which Government are we running here? This is a Government where a councillor is corrupt, and Members of Parliament are heading the same direction. This is a Government where Cabinet Ministers and Permanent Secretaries have been taken to court. Surely, do we have a Government in this country?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to insinuate that Members of Parliament are corrupt? Could he substantiate this very serious allegation?

The Temporary Deputy Speaker (Mr. Muturi): I heard him say that Members are heading the same direction. Maybe he could tell us---

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, I do not even need to substantiate that. We have the Anti-Corruption Select Committee Report here. How many Members were mentioned? Did he read it? I do not have to substantiate the obvious!

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House that Members of Parliament are corrupt, and yet the DP councillors are the most corrupt people in this country, and he is a Member of the DP?

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, the issue of political parties does not arise here. I am saying that we should have upright and honest citizens, who do not steal public funds.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has not responded to my point of order. He is generalising issues. Does he mean that I am corrupt? If I am corrupt, let him substantiate. Otherwise, if he has certain Members of Parliament in mind, then he should come with their names. It is not all hon. Members of Parliament who are corrupt.

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, I do not need to substantiate. It is obvious. The records are in the library. The Report was tabled in this House. How many hon. Members of Parliament were mentioned in that Report? Do I need to substantiate what is obvious?

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to use a list that was rejected by this House as authority to substantiate his allegation?

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, is it not on record that a Cabinet Minister was taken to court the other day?

The Minister for Agriculture (Dr. Godana): On a point of order, Mr. Temporary Deputy Speaker, Sir. This is really unparliamentary and unprocedural because we know the Cabinet Minister who was taken to court was acquitted.

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, the fact that the Minister was acquitted does not mean that he was not actually taken to court.

The Minister for Agriculture (Dr. Godana): On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a very serious matter. I understand the hon. Member was a court prosecutor. We can imagine the injustices that were meted out on suspects who sadly fell into his prosecutory hands. Since he is not in order, could he withdraw his allegation and apologise to the House?

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, I am not in a position to withdraw because I know somebody may be acquitted because of technicalities. The fact that a Cabinet Minister was acquitted---

The Minister for Agriculture (Dr. Godana): On a point of order, Mr. Temporary Deputy Speaker, Sir. This man must have forgotten his law or he must have become a prosecutor through some odd procedures and not on the basis of merit. The elementary principle of law in this country, which any prosecutor must know, is that a person who is accused is innocent until proved guilty. The hon. Member does not even know that!

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to refer to

Mr. Muchiri as "this man" when he is the Member for Kasarani Constituency?

The Minister for Agriculture (Dr. Godana): Mr. Temporary Deputy Speaker, Sir, the hon. Member for Kasarani Constituency is a man unless you think otherwise.

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, I do not know why the hon. Member is leaving immediately after making such a lively contribution, especially after telling us political parties do not matter and before I say what I want to say.

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, I am not leaving!

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, as a cover-up for what exactly he has said in this House, he did not tell us the City of Nairobi is smelling with filth. We all know the City of Nairobi is under the Government of the Democratic Party. I think the hon. Member should go to his own political party and tell them that they must put Nairobi in order.

Mr. Kamande: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Minister in order to say the City of Nairobi is under the Government of the Democratic Party of Kenya? When did the Democratic Party of Kenya form Government?

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, I am talking about the Local Government. If the hon. Member does not know what a local government is, then he does not know the English language properly.

An hon. Member: Tell him that in the Kikuyu Language!

The Minister of State, Office of the President (Mr. Sunkuli): Unfortunately, I cannot speak that very good language!

Mr. Temporary Deputy Speaker, Sir, in support of this Motion, I want to assure the House that the Government is not just playing public relations. The Government is, indeed, tackling the issue of insecurity here in Nairobi. We will request this House to vote enough money to the Office of the President to enable us take care of the security of Nairobi and, indeed, the whole country.

Mr. Temporary Deputy Speaker, Sir, I do not want to look like I am just answering the hon. Member for Kasarani Constituency. But it is a contradiction in terms to say that the City is insecure and at the same time blame the Government for arresting criminals. The machinery of arresting people is one of those available to us, as Government, to tackle the question of insecurity. It has become a common tendency among some hon. Members to accuse police officers of various crimes whenever they act decisively against criminals. The police officers are now actively trying to tackle the problem of insecurity. Over the last two months, we have been able to dismantle a number of gangs that have been operating in Nairobi. I must say that today, the City of Nairobi is more secure than it was six months ago. We have dealt effectively with problems of bank robberies. Our police force is dealing with the question of carjacking. Even carjacking has become less prevalent now than it was a number of months ago. That is why I will request this House to vote enough money for us so that we can buy modern communication systems equipment as well as motor vehicles to enable our police force to be very effective.

Mr. Temporary Deputy Speaker, Sir, this country has grown in terms of population. It, therefore, follows that our police force must also grow in terms of population. The problem of housing in the Kenya police force needs to be addressed by this House and the Government. I will request this House to vote for us enough money to be able to house enough police officers, especially here in the City of Nairobi and its environs. This is because we, as Government, realise it is our responsibility to maintain security. A few months ago, we degazetted all those little organisations like *Mungiki*, as the hon. Member would know. We also degazetted others outside Nairobi---

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, is the hon. Member in order to say "the hon. Member of Nairobi would not know?"

The Minister of State, Office of the President (Mr. Sunkuli): Mr. Temporary Deputy Speaker, Sir, I said the hon. Member "would know". I can now see the hon. Member actually has a problem.

Mr. Temporary Deputy Speaker, Sir, it is important that we do tackle these issues. This House will be of great help if Members vote to the Office of the President enough money to enable us tackle the insecurity here.

Mr. Temporary Deputy Speaker, Sir, over the last one year, a number of foreigners have entered our country, especially from the fallen Republic of Somalia and other neighbouring countries. We have requested the United Nations, of course, to handle those who are refugees and keep them in the camps. But for those that tend to threaten our security, we have searched them out and we have been able to repatriate quite a number of them today. So, the question of tackling insecurity by the Government is not a public relations exercise. It has been one of the persistent actions by the Government.

Mr. Temporary Deputy Speaker, Sir, I have heard from this House that a number of police stations are being used to solicit bribes. I just want to assure Mr. Muchiri, and other hon. Members, that these allegations have not fallen

on deaf ears. Indeed, we are taking a keen interest in what they are saying. But it would also help this House, the Government and the country, if they could actually substantiate these allegations and be able to give us information so that we do not also victimise police officers and let them operate under fear of political implications and so on.

Mr. Temporary Deputy Speaker, Sir, I have just been asked by the Press outside today to comment on the issue of extension of Parliament which, in fact, I did. It is would be very good for hon. Members of the Opposition to be very honest to this country. We also talk when we are having coffee and in other areas. I can stand here and say confidently today, that those who appear to be opposed to the extension of Parliament are simply posturing. They do not believe for a minute in what they are saying. We went into the process of constitutional change. We negotiated a process. Some of us did not like the things that went into the Bill that established the Constitution of Kenya Review Commission. We asked these ladies and gentlemen of the Opposition to let us buy the Commissioners nice armchairs so that they can sit quickly and write a Constitution. Then they said they wanted a Wanjiku-driven Constitution. They put in everything that was meant to delay the coming of a new Constitution. They said they wanted a publication period of 60 days. They even wanted a national convention at that time, that would last for a year. We negotiated for a shorter time, but they wanted everything which they do not want now. All of a sudden, "Wanjiku" has become irrelevant. They want a quick process, a short cut; a Constitution which is tailored for purposes of the election. They also want - I hope they do not get - to create confusion in the country. They know there is a difference between the National Assembly and Parliament. The National Assembly comprises of hon. Members of Parliament and Mr. Speaker, but Parliament comprises of hon. Members of Parliament, Mr. Speaker and the President. Once there is no President, there is no Parliament.

Mr. Temporary Deputy Speaker, Sir, even if this House passes legislation today, it cannot become law until it is signed by the President. Who is going to sign the Constitution Bill on 4th February, if indeed, it were to pass? It is a situation of confusing Kenyans. We understand that Parliament ceases to be there once the Presidential term expires. The new Constitution will not be on time to be used for the next elections. It will not be on time. If we want elections soon enough, then we should hold them under the present Constitution. But if we take our country through a costly exercise that has been negotiated even through unorthodox means because we never wanted this Constitution to be negotiated by people who are not elected---. These are artificial bodies calling themselves Non-Governmental Organizations and have swallowed the term "civil society" and given it to themselves. These organizations are composed of people who are not just un-elected, but are un-electable. Today, they are the ones who are making decisions that will affect posterity of Kenyans. It is, therefore, important that hon. Members, apart from wanting to look good in the eyes of Kenyans, should actually come out and tell us what they truly believe in. They are supported by the Press. Some senior editors of the Press are suffering from *Moiphobia*. They see everything in terms of President Moi. This country is larger than President Moi, and it is much safer to have a Constitution today enacted under President Moi than under a person who will, himself, have a personal interest in the future. This country must understand that it is more of an asset to have President Moi in the constitution making process than to wait for the future which we do not know.

I beg to support.

Mr. Munyasia: Thank you, very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance.

I would like to take off from where Mr. Sunkuli has left, and also support the idea that Parliament should wait for the constitutional review to be completed before we can go to elections. That is what we were struggling for in 1997. That is also why we were making so much noise after 1998 at Ufungamano, because we wanted a new constitutional order before going into the election. I would like to say that my colleagues who are holding Press conferences to condemn any attempt to wait for the review to be completed before we go to elections have been misled. If they think that, that particular proposition will not have the two thirds majority in this House, they are again misleading themselves. In fact, it might help some of us in NAC when we share positions so that those of us who might be given junior positions, get positions that are well protected. I would not like a Vice-Presidency that is promised by the roadside the way the late Jaramogi Odinga Oginga had been promised in 1963, then after serving as a Vice-President for one year he was dropped. We want a Vice Presidency that is entrenched in the Constitution, so that if I am a running mate to another, then at the time he is elected President, I know I am also elected the Vice-President. That way, we can explain to our people how this NAC can remain together. It is surprising that after agitating so much for the establishment of the Constitution of Kenya Review Commission, we are hardly telling them what we want to be included in the Constitution. We are not advising the Commission. We are busy forming alliances and promising people that we are working when we do not see the fruits of our work.

Mr. Temporary Deputy Speaker, Sir, I was delighted, coming from a former cotton growing area, to note that the Minister for Finance addressed the revival of the cotton industry. The most important thing in reviving the cotton industry is trying to restore farmers' confidence in that industry. The reason the cotton industry failed was because those who were running the gineries *et cetera*, failed to pay farmers on time. If the farmers must be encouraged to

grow cotton, they must be given some credit. In Sirisia and Malakisi areas, those who have taken over the cotton ginneries are not able to pay the farmers when they deliver their cotton. This might remind them of the failures that they experienced before the cotton industry collapsed. So, the Minister must address the issue of restoring the confidence of the cotton farmer, so that he can grow his cotton and expand the area under which cotton is grown. That is of vital importance.

Mr. Temporary Deputy Speaker, Sir, I was encouraged also when I heard the Minister take a serious view of those who adulterate petrol. Whereas many of these corrupt fellows do not mind paying fines, this time round the Minister preferred custodial sentence. I wish we extended the custodial sentence to many other areas of corruption, especially in the Ministry of Roads and Public Works. There are public officers who have been paying contractors money for the construction of roads in advance, and then the contractors do not complete the roads, although they have consumed all the money. Those individuals, plus the contractor, should have custodial sentence. I am speaking with bitterness because in my area which is a border Constituency, the Chwele-Namwela-Sirisia-Lwakhakha Road was supposed to be gravelled, and some contractor with certain connections was given the contract. Since he was from my area, I did not complain, lest they said that I was not patriotic. This man appears to have been paid all the money for the construction of the road. The construction was started about three to four years ago, and up to now, little has been done on that road, but all the money has been consumed, and yet the man is still running around with that money thinking that he can use it, maybe to come to Parliament. I would have preferred custodial sentence for fellows like that, and then after that, they pay back whatever they took.

Mr. Temporary Deputy Speaker, Sir, there is something for the teachers. It has already been mentioned by a few of my colleagues that, indeed, there is some increment; from Kshs23 billion to Kshs24.5 billion. So, there is only Kshs1.5 billion that has been put on the Vote for teachers' salaries. Now, we still want an explanation because the Minister did not say it. They have said it in the past where you want to recruit more policemen. But this time, we know that there are many schools that have eight classes, but only four or five teachers. Those schools will need to recruit more teachers. The Government says that in many areas, the communities where those schools are situated should recruit the balance of the teachers. But the responsibility to ensure that there is education is not on the community but the Government. So, we want an explanation as to whether the Kshs1.5 billion which is added is meant to recruit more teachers or to give more salaries to the teachers. We need more teachers and both issues are very important. The teachers have negotiated with the Government and they need to be paid their money. The children need more teachers and the Minister has not made that clear. What we hear now are very confusing statements. We hear that now, there is a new curriculum where they have brought many of the subjects that had been included because they wanted to turn a child into a technician and that, at every stage, whether at Standard Eight or Form Four, he or she would be a technician. Now, they are saying that they are not able to continue with that.

They are now emphasising more on permanent literacy. If they want to emphasise permanent literacy which many of us have been telling you about for long, then why do you not go ahead and implement the Koech Report which told you so earlier? The Koech Report is still there. Now, we are getting piecemeal things. I do not know what else is going to come.

Mr. Temporary Deputy Speaker, Sir, we were also delighted to hear about the removal of duty on cell phones and sim cards. We are hoping that, that will reduce the vandalism and robbery that is going on. You can hardly receive a call on the streets of Nairobi because somebody will soon come and grab the phone. But after removal of duty, we expected we would immediately see a drop in the prices of cell phones, so that Nokia that has been going for Kshs20,000 might come down to Kshs1,000. I am sure no crook would want to snatch your cell phone costing Kshs1,000, because he would not sell it anywhere anyway! We expected that those who sell cell phones would reflect that in their prices soon. That is taking a little too long.

With those few remarks, I beg to support.

Mr. Sajjad: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to speak on this very important matter.

When we had a seminar in Mombasa between the World Bank, IMF and the hon. Members, I think we came to a conclusion that the country and the people are much more poorer after the reforms than before the reforms. Hon. Members of Parliament came to the conclusion that for reasons known to themselves, the IMF and World Bank keep on shifting their goal posts. Do we really need the IMF and World Bank? As an industrialist, I think we do not need them. The best way to jumpstart the economy is to start assisting the industries and reviving the industries which have closed down.

Mr. Temporary Deputy Speaker, Sir, if you take the span of the last two years and I am sure the Ministry of Finance knows this very well, at least 100 industries have closed down. 40 to 60 industries are under receivership and another 20 to 30 are on the brink of going under receivership. 60 large ones have relocated. Has the Ministry of Finance which is supposed to have the best economists in this country looked into the reasons why the industries are

closing down, going into receivership and why they are relocating? If they had done their homework then I am sure the Minister for Finance would have presented a better Budget to assist the industries. I made several presentations to the Minister and his officers and told them that the two main reasons why industries are closing down are power failure and the high cost of fuel. What did the Minister tell me? He told me that we are looking into it. The Ministry has been looking into it for the last three years and that does not help the industries. You keep on saying that we are looking into it all the time and yet the industries are closing down and the economy is in a shambles. If you do not revive the industries you will never revive the economy, increase employment, improve security or get rid of corruption. The root cause of all this is the economic condition of this country and that can only be revived by us and the best way to so is to look into the cost of power.

Mr. Temporary Deputy Speaker, Sir, why should a manufacturer come to invest in Kenya and then he pays, at least, two-and-a-half times the cost of power in Egypt and three times the cost of furnace or fuel in Egypt? They put up the industry in Egypt and then export their products to Kenya where they sell them at cheaper prices. If you go to the Gulf states, they give you four years inducement in form of free gas supply. Somebody will put up the industry there, manufacture goods and pay tax at the rate of 25 per cent and then sell goods at cheaper prices. I think we, as Members of Parliament, have to look into this issue and maybe force the Ministry to make reductions in the cost of power.

Mr. Temporary Deputy Speaker, Sir, again why did the cost of power go up? Two years ago, we were paying 40 per cent of what we are paying now. The reason the cost of power went up was because of drought. The drought has gone and we have had ample rains. Why can the situation come back to where it was? Why is it still high? There must be something wrong either with the Kenya Power and Lighting Company (KPLC). Somebody has to look into this because we cannot be paying US cents 10 while the cost of power in South Africa is US cents 2 and in Egypt US cents 4. We cannot be paying Kshs17 for fuel oil while in Egypt you pay Kshs4 and in South Africa Kshs6. There is no way special industries like those that manufacture glass, cement and steel can survive because their raw material input is 60 per cent power related. Something has to be done very quickly otherwise you will see another 20 to 30 industries closing down this year.

Mr. Temporary Deputy Speaker, Sir, coming to the cost of finance in this country you will find that it costs 18 per cent to 20 per cent while in Europe it is 2 per cent to 3 per cent. Why? This is because the Donde Bill has not been implemented. The banking institutions are saying they are going to regulate themselves, but they are not. With the threat of the "Donde" Bill still hanging on them the bankers are still charging rates of 18 per cent on overdraft charges, 1 per cent in form of implementation charges and 1 per cent in form of renewal charges. That comes to 22 per cent. How do you expect an industry which is being taxed at 22 per cent to compete with goods from Egypt which are taxed at 6 per cent and from Europe, 2 per cent? It is not possible.

There is a lot of insecurity in the country. Why do we have this problem? The main reason is unemployment. People have to eat and survive. If they cannot survive by getting employment, they will steal or rob. If we change their economic condition, the security situation will improve.

On corruption, what is the root cause of corruption? How do you expect an officer earning Kshs20,000 and whose monthly expenses are Kshs40,000 to survive? Again, how do we increase the salaries? Salaries can only be increased if the economy is revived by jump-starting the industries. How do you do it? By looking into the taxes which will assist to reduce the cost of power.

The Minister introduced duty on the EPPO. Under the EPPO, we were able to bring in second-hand raw materials duty-free and export the goods. Now, the Minister expects us to pay duty and ask for a refund when we are exporting goods. How long does it take one to get that refund, one year, one and half years? Can the industries survive?

The Minister raised duty on second-hand clothes so that our textile industries can survive. Are our textile industries able to provide the poor wananchi with alternative clothing at the cost of second-hand clothes? If not, then we should not raise the duty. We must give alternatives before we raise duty. We cannot make the majority of the people suffer because we want to revive the industries. Yes, we have to look after the cotton farmers, but we also have to look after our people. Maybe the alternative would have been to subsidise the cotton industry up to the time when they are able to supply the poor wananchi with clothing at cost of second-hand clothing. There are subsidises we can give to the cotton farmers and the textile industry without taxing the poor people.

(Applause)

On the issue of second-hand vehicles, good second-hand vehicles can compete with new vehicles. Is the person who buys a second-hand vehicle able to buy a new one? Surely, if he was able, he would have bought a new vehicle. Why are we now taxing them? Again, one source of transportation for the poor man is the second-hand

vehicle. It seems that the economists at the Ministry look at only one aspect; how to make the Budget deficit lower, but they do not think how to revive the industries. They do not know whether they should revive the industries or make our people suffer. They keep on going on the small narrow range. I would like to request the economists to look at all angles and, if necessary, introduce subsidies. I will give an example of the wheat farmers. The millers and the farmers came to an agreement whereby the millers were going to buy wheat at a specific price from the farmers. The system was very good, but the Ministry, certainly, realised that the wheat farmers were benefitting; because the millers were not paying duty, there was a deficit in the Budget. So, the wheat farmers could go to hell. They introduced duty on wheat so that they could collect revenue. We have to sacrifice certain important projects. We have to revive the economy and make sure that industries survive so that we can move forward. We cannot be thinking of small deficits and not forecasting two or three years ahead. If we plan from now to two or three years ahead, we will survive.

Thank you very much.

Mr. N. Nyagah: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to also give my contribution. I hope to be very brief. Let me begin expressing my great surprise--- I can see that the Assistant Minister has walked in because I was hoping that there would be someone from the Ministry of Finance and Planning.

(Mr. Arap-Kirui stood up in his place)

Mr. N. Nyagah: I have not even said a thing! I am saying that I am happy that the Assistant Minister for Finance and Planning is here. Does that call for any point of order?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Muturi): Let it be a point of order.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, I sympathise with my colleague for trying to drown me out. He has just walked in while I have been here since 9.00 o'clock. Could he withdraw that insinuation and apologise?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, it is very interesting to hear what the Assistant Minister is saying. Whether he was sleeping and has woken up from his dream, I said that I am happy that the Assistant Minister is here. The other thing I would like to say to him is that, as the Opposition Chief Whip, I am a very busy man. At any given moment I am within reach and am able to follow the proceedings of this House as I sit in my office listening. He does not have an office in Parliament Buildings; I have an office in Parliament Buildings. I want him to understand that. How many other Members have offices in Parliament Buildings?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to try to intimidate some of us? We have been here sitting patiently. He may have an office in this House, but that is beside the point. He has just walked in, but I have been here since 9.00 o'clock. Could he apologise and withdraw that remark?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, what am I apologising for? Is it for praising an Assistant Minister who has no power other than to do what his Minister tells him? I am surprised! There is something wrong with him. Could I be left alone to make my contribution so that he can take notes, which is what his Minister sent him to come here and do? Having said so---

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. The Assistant Minister said that Mr. N. Nyagah said he just saw him walk in. We have been sitting here with this Assistant Minister even when Mr. N. Nyagah was in his office listening to the proceedings. All the Assistant Minister is saying is that could Mr. N. Nyagah withdraw the remarks he made that he had just walked in while he has been in the House from 9.00 o'clock? Why can Mr. N. Nyagah not just withdraw that bit and say he did not see him?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has been glued to his seat here for a long time! I am sorry and I am happy to see that he is very happy. Having said so, could I make my contribution?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): What do you mean by "glued"? I have been sitting here like you! Could the Chair please save the House from the indignities of this hon. Member? I do not like it at all!

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, English is a very interesting language. If I sit here for a long time that means that I have been glued to his seat and listening to the debate to show the seriousness of what I have to do. I am happy that the Assistant Minister, whom I have great respect for, has been glued to that back seat for that length of time to listen to us.

Having said so, let me now make my contribution. May I ask that he does not take any more of my precious time so that I can tell him what is wrong with his Government? Otherwise, you should throw him out of the Chamber!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. If Mr. N. Nyagah has nothing to contribute, you should ask him to sit down. Otherwise, let him respect this House and hon. Members here.

Mr. Temporary Deputy Speaker (Mr. Muturi): What is your point of order?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): My point of order is that Mr. N. Nyagah is an honourable colleague. I call him "honourable" but he seems to have forgotten that. Mr. N. Nyagah just walked in and said that he had just seen me walk in. He went further and insulted me by talking about "glue" and all sorts of ridiculous things. Why can he not be a decent and orderly hon. Member?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, the trouble of new hon. Members in Parliament, like that hon. Member, is not knowing the Standing Orders. That is why he should have been with me in the Seventh Parliament. So, could he take notes on what I want to tell him about his Government? Could that Assistant Minister go and tell Prof. Onger, the Minister for Public Health, that the biggest mistake that the Government did was to refuse to take consideration of what the NGOs, the donor community and the Government said? They also ignored the Report that was supposed to be submitted in Geneva to the Global Fund. That is why out of 40 countries, 37 of them have been given money from the Global Fund. Why did Kenya not get it? The Kenya Government, because of its arrogance, was not given that free money so as to be able to fight the HIV/AIDS pandemic. What does this Government do? They then tax that poor man or woman sitting out there in the Galleries and the one at home Kshs1 for using kerosene, instead of taxing that Assistant Minister, who I do not know how many vehicles he drives, or Mr. Mudavadi and the Chair. You are the people who should have been taxed more rather than taxing that old mama sitting at home, so that the Government realises Kshs300 million to fight HIV/AIDS pandemic. This Government refused to be given US\$49 million by the Global Fund. Our neighbours, Uganda and Tanzania---

I had an opportunity of sitting with the four directors of the Global Fund the other day in India. This is what they said, and I have no apologies for quoting what they said: "The arrogance by the Ministry of Public Health does not allow them to get this money." That is sad! We want the Minister for Health to come to this House and tell us what he is going to do. But let me tell him in advance what they have been told. They were told to go to where they belong and write another report, and it will be considered favourably. But if he goes to Geneva to harass every single person in the Global Fund, it will not help Kenya.

Let me talk about the other thing that the Minister wants to hear; parallel imports. We brought a Bill here which we fought very hard for. What did this Government that this Assistant Minister belongs to do? Slightly over a month ago, they sneaked in through the Miscellaneous (Amendments) Bill a section of an earlier Bill that we had brought in here that was talking about generic medicine for Anti-Retroviral drugs. The amendment says the following:-

"If you go to 40 of the missionary hospitals in Kenya, you can get ARV at Kshs6,000."

Tell me: Which Government institution has ARVs? We have 700 people dying every day of HIV/AIDS. How can you get ARVs? None at all! Yet, because we are told that there are certain prominent Kenyans who want to come up with industries to produce that, that is why the Ministry of Health is delaying. They have been unable to approve anybody from India - not even Sipla(?) that is well-known worldwide as good manufacturers of ARVs - to take up that business in this country. We have a group that is bringing in big medication that is going to be given to the missionary hospitals. It is a matter of time for it to land at the Jomo Kenyatta International Airport. They will not get that approval because just over a month ago, the Ministry of Health, in collusion with the Attorney-General, sneaked in an amendment which removes any generic to prolong the life of more than two million Kenyans who are suffering from HIV/AIDS.

Let me again tell the Assistant Minister the big mistake in the Budget Speech. He may be very lucky that he does not wear *mitumbas*, but I am sure that his grandmother, aunts and uncles wear them. What kind of a Government is this that has increased duty on *mitumba* from Kshs25 to Kshs25 per kilogramme? They have now pretended---

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir.

Mr. N. Nyagah: You sit down! You have nothing to offer! You are part of the Bill! Maybe, his grandmother wears clothes from the Indian shops!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On a point of order, Mr. Temporary Deputy Speaker, Sir. Part of the duty of the Chair is to protect hon. Members from external control.

The Temporary Deputy Speaker (Mr. Muturi): Mr. Arap-Kirui, could you raise one point at a time?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Temporary Deputy Speaker, Sir, I seek your protection. Why should the hon. Member keep pointing a finger at me?

Mr. N. Nyagah: Mr. Temporary Deputy Speaker, Sir, I would like you to understand one thing. While commenting on the issue of *mitumba*, I said that even the President's constituents wear *mitumba*. So, who am I to avoid pointing a finger at a most junior fellow? So, I support this debate.

You are a junior fellow, Mr. Arap-Kirui!

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): You are even more junior than I am, Mr. N. Nyagah!

Mr. Temporary Deputy Speaker, Sir, I take issue with what is transpiring. Maybe, I should lodge a complaint in this House.

Mr. N. Nyagah: Complaint on what?

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): On your madness!

The Temporary Deputy Speaker (Mr. Muturi): Could you take the Floor, Mr. Sasura?

The Assistant Minister for Energy (Mr. Sasura): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Mr. Temporary Deputy Speaker, Sir, the Budget is a very important business of this House. There is no country which can thrive without a strong economy. First and foremost, I would like to congratulate the Minister for Finance for preparing such a balanced Budget. Worth noting is the fact that during the previous Budget, the Minister for Finance told us that the economy had grown by a negative 0.3 per cent. When the Minister told us that the growth rate has since increased to 1.2 per cent, I did not know why this news was received with a bit of apprehension. Mostly, hon. Members in the Opposition were not satisfied that the economy has grown by 1.2 per cent. I do not know whether they were happy last year to hear that our economy had recorded a negative growth. I think everybody in this House must be happy that our economy has attained a positive growth. A Budget that produces negative economic growth does not affect people who are in the Government alone; it also affects those who are not in the Government. It directly affects the common man.

We are very happy to hear that the Minister has set aside over Kshs500 million for bursaries in secondary schools and for the support of children who have been orphaned by HIV/AIDS. I think that is a gesture worth commending. This provision will especially support students in arid and semi-arid land (ASAL) area, where people rely on livestock, which is as good as any perishable commodity. So, I think the Minister has done a good job by considering students in ASAL areas.

In the last financial year, there was a project under which textbooks were bought mainly for primary schools. In Marsabit District, a total of about Kshs700 million was used to buy textbooks for primary schools. I understand that in the next financial year, provision has been made for the purchase of textbooks. External assistance is also expected, with the Government giving a similar amount to that it gave last year. However, the criteria used to buy the books is not the best. The books to be bought and the bookshops from which they are to be bought are identified by primary school head teachers.

The Temporary Deputy Speaker (Mr. Muturi): Order, Order! Mr. Sasura, you will have your seven minutes when the House resumes in the afternoon.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Muturi): Hon. Members, it now time to interrupt the business of the House. So, the House stands adjourned until 2.30 p.m. this afternoon.

The House rose at 12.30 p.m.