

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 21st June, 2006

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

The Estimates of Expenditure, Recurrent and Development for Vote on Account for the Fiscal Year 2006/2007.

(By the Minister for Finance)

NOTICE OF MOTION

VOTE ON ACCOUNT

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

THAT, in accordance with Section 101 of the Constitution of Kenya, the withdrawal from the Consolidated Fund of the sum of Kshs171,931,694,565 representing one half of the total net Estimates of the Recurrent and Development Expenditures made up in the manner set out in the Vote on Account schedules laid on the Table of the House be authorised for the purpose of meeting expenditure necessary to carry on the services of the Government of Kenya during the year ending 30th June, 2006 until such time as the Appropriation Act for the year comes into operation.

Mr. Speaker, Sir, His Excellency The President has given consent to this Motion.

COMMUNICATION FROM THE CHAIR

THURSDAYS TO BE DEVOTED FOR
BILLS AND PAPERS TO BE LAID
ON THE TABLE

Mr. Speaker: For the guidance of the House, during this time when we are constrained for time because of the budgetary process, where there are many Papers to be laid on one occasion, I propose, that should be done every Thursday beginning next week---

(A mobile phone rang)

What is going on? Where is it emanating from? Anyhow, I hope everybody will switch his or her mobile phone off.

I was saying that after going through the Budget Speech, we devote Thursdays for Bills and other matters that are non-budgetary. I would like to point out that when there are many Papers to be laid on the Table, that should be done on Thursdays. That includes the many Papers that are intended to be laid on the Table by the Minister for Education.

QUESTIONS BY PRIVATE NOTICE

MECHANISM TO ENSURE FAIRNESS DURING ADMINISTRATION POLICE RECRUITMENT

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

(a) In view of the ongoing recruitment of Administration Police officers countrywide, what mechanism has the Minister put in place to ensure fair distribution of the said posts?

(b) How many people were recruited from Khwisero?

The Minister of State for Administration and National Security (Mr. Michuki): Mr. Speaker, Sir, I beg to reply.

(a) The recruitment exercise was widely publicised through both print and electronic media some days before it started.

Members of the Provincial Administration and local leaders were also involved in dissemination of information to the public through *barazas*, schools, mosques and churches. Recruitment officers were under instructions to ensure fair and transparent selection and distribution throughout the districts. Available vacancies were equitably distributed to all the districts.

(b) The recruitment of Administration Police officers is district and not constituency-based. All those who presented themselves were considered alongside others who met the recruitment criteria.

Mr. Arungah: Mr. Speaker, Sir, I thank the Minister for the answer he has given to this House. How many vacancies were available?

Mr. Michuki: Mr. Speaker, Sir, maybe, it will take some time before this House accepts the fact that the number of security forces in any country remains a matter of national confidence. I know the hon. Member has visited the Directorate of Personnel Management and obtained information about those vacancies which stand at 2,000. However, the creation of 2,000 vacancies does not *ipso facto* mean that we would recruit 2,000 candidates for a number of reasons. First, the number of vacancies depends on the availability of funds. The 2,000 people recruited have to be paid. The second factor that is taken into account is the accommodation facilities at the training college. So, the recruitment of 2,000 people would be staggered; based on those two considerations.

Mr. Wario: Thank you, Mr. Speaker, Sir. How many people were recruited during that exercise?

Mr. Michuki: Mr. Speaker, Sir, other than what I said earlier on regarding the number of recruits into the disciplined forces, the process has just started.

Hon. Members: No! No!

Mr. Speaker: Order, hon. Members! Why do you want to know the number of those who were recruited?

Hon. Members: For even distribution!

Mr. Speaker: Order! If you want to know whether there was even distribution of vacancies, you can ask that Question. However, there is nothing magical. Suppose you are told 1,500 people were recruited, does that tell you how many were recruited from Bura?

Hon. Members: Yes!

Mr. Speaker: Order, hon. Members! I hope we, either from the Front Bench or Back Bench or from the Government or the Opposition sides, will at some stage look at Kenya as Kenya and treat everybody as a Kenyan.

Proceed, Mr. Minister!

Mr. Michuki: Mr. Speaker, Sir, I think I had better explain a little bit about this recruitment exercise which has started. The young men and women will pass or fail, depending on their qualifications and other attributes. However, that process has started. Once the recruits get to the training college, we will have to ascertain whether the certificates they presented are from the Kenya National Examinations Council (KNEC) or not. We will also send their names to the Criminal Investigations Department (CID) to ascertain whether any of them has been involved in any crime. Therefore, the process of retaining or rejecting them depending on what has been discovered is on-going. Therefore, we have approved 2,000 vacancies, but we have to recruit the young men and women depending on the funds available. This is because once the process has started and the recruits have sworn their Oath of allegiance, they will be on the payroll and there must be money to pay them.

Mr. Ojode: (Inaudible)

Mr. Speaker: Order, Mr. Ojode!

Mr. Ojode: It is not me, Mr. Speaker, Sir!

Mr. Speaker: Mr. Ojode, I know your voice! You have been with me for the last 14 years. Cool down! Cool down!

Mr. Arungah: Mr. Speaker, Sir, I join the people who have been saying that Mr. Michuki is tired. I think he is tired!

(Applause)

Mr. Michuki: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Member to discuss my conduct without bringing a Substantive Motion?

Mr. Speaker: Order, hon. Members! As a matter of fact, it is much more than that. Indeed, the hon. Member is not only imputing improper motive, but also judging the ability of the Minister to perform. That is outside your mandate unless, of course, you bring a Substantive Motion to this House. Hon. Members are barred by the rules of this House and by common sense to throw brickbats at one another. Otherwise, we will reduce this House into a place of insults and fistcuffs.

Mr. Arungah, could you withdraw those remarks?

Mr. Arungah: Mr. Speaker, Sir, I withdraw and apologise. It is not my habit to say things like that. It is just out of frustration. I feel the Minister is deliberately withholding the answer to this Question. I asked this Question because I happen to know that three people were recruited from Khwisero.

In order for me to know whether we got a fair share, I wanted him to tell the House how many people were recruited for me to be satisfied that, that was, indeed, the case. We know that Administration Police officers do not play any crucial role. They are just bodyguards. They are not

very critical. So, I do not know why this is being treated as a State security matter.

Mr. Michuki: Mr. Speaker, Sir, the number the hon. Member is quoting; three people, who were recruited from his area is correct because he got it from my Assistant Minister and that is in order.

Capt. Nakitare: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead this House, that based on financial constraints, his Ministry is recruiting a few Administration Police officers and yet they have enough money to create new districts?

Mr. Speaker: Order! That is a point of argument!

Mr. Kimeto: On a point of order, Mr. Speaker, Sir. The recruitment of administration police officers is a national matter. We have already said in this House that every recruitment must take place at the constituency level. Some constituencies have been given more chances than others. Is that in order? For example, only one person was recruited from my constituency. I should have got about the same number!

Mr. Speaker: Mr. Kimeto, you are disorderly! You had better hold your horse! Hon. Members, this tells me and the nation that somehow we ceased to be Kenyan leaders and Kenyans a long time ago. We are portraying ourselves as parochial, tribal and sectional leaders.

Hon. Members: No!

Mr. Speaker: If you are not, desist from tribal talk! Honestly, I want to tell both sides of the House that we should treat all Kenyans equally.

Next Question!

SUSPENSION OF KENYAN STUDENTS AT BUGEMA UNIVERSITY

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, I beg to ask the Minister for Foreign Affairs the following Question by Private Notice.

(a) Is the Minister aware that the graduation of 27 Kenyan students at Bugema University is in jeopardy following the university administration's unilateral suspension of the students?

(b) What is he doing to salvage the situation?

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Speaker, Sir, I beg to reply.

(a) The Ministry is not aware that the graduation of 27 Kenyan students at Bugema University is in jeopardy following their suspension by the university. However, we are aware that on 5th December, 2005, Bugema University suspended 37 students suspected to have been ringleaders in staging a demonstration at the university campus in November, 2005. Among the suspended were 27 Kenyans comprising eight in third year, 16 in second year, three newly admitted students, eight Ugandans, one Congolese and one Sudanese.

After the suspension, the students went to the Kenya High Commission in Kampala and the High Commissioner made interventions. Several meetings were held culminating in the realisation that the students were protesting about poor learning facilities, interference by the university administration in the student guild and leadership, perceived discrimination of Kenyan students by the university administration, fees discrepancies and high-handedness in dealing with their grievances.

(b) Following these meetings, the university agreed to have the students go back and face a select committee where they would be grilled and be re-admitted if necessary. Seventeen students have so far done so and have been re-admitted in the university. The remaining ten have not appeared before the committee and we suspect they came back to Kenya. I would like to urge the hon. Member, that if he knows who they are and where they are, he should advise them to go back

to the university and speak to the committee.

On the part of the university, the Vice-Chancellor has been suspended following this incident.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, I want to thank the Assistant Minister for that good answer. A couple of weeks ago, this House was told that there are 21,000 Kenyan students studying in Uganda, paying about Kshs2 billion. Do they have an elaborate education attache system in Uganda that would intervene on behalf of Kenyan students in the event that such problems recur? The number of Kenyan students studying there are many and the university entry cut-off point in Kenya is going higher. There is likelihood that more Kenyans will continue going to study in Uganda. What system is there in place to intervene as quickly as required?

Mr. Wetangula: Mr. Speaker, Sir, we have an Education Attache in our High Commission in Kampala. We also have a very active High Commissioner who deals with these matters as they arise. The High Commission has requested my Ministry to inform Kenyan students and the parents who study in Uganda that they should make a point of informing the High Commission of their presence so that whenever there is an incident such as this, there can be a quick intervention to assist them.

Mr. Sungu: Mr. Speaker, Sir, the number of Kenyan students in overseas universities is getting too large and even some of us in this House are guilty of that. Could the Assistant Minister intervene in the Cabinet with his colleague, the Minister for Education, to ensure that there are enough university places in Kenya for Kenyans? There are some universities in Kampala like Kampala International University which is now called "Kenyans In Uganda." We can actually make studying in our universities cheaper and fairer to our students because the intake level is too high. Could the Assistant Minister with his colleague intervene?

Mr. Wetangula: Mr. Speaker, Sir, I have recorded those sentiments.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, you will notice, from the response, that the suspension took place in December last year and quite a number of Kenyan students and a lot of resources belonging to this country were involved. Could the Assistant Minister assure this House that, in future, such delay will not arise by strengthening the Department of Education Attache and also availing information to most Kenyans who are affected by this?

Mr. Wetangula: Mr. Speaker, Sir, the House is so assured.

WITHHOLDING OF BODIES OF VERONICAH
JOSIAH AND MARY SYOMBUA
AT KNH MORTUARY

Mr. Mwanzia: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that the bodies of the late Mrs. Veronica Josiah (IP No.1080808) and Mrs. Mary Syombua (IP No.1092596) have been lying at Kenyatta Hospital Mortuary for the last one month as the authorities have refused to release the bodies to their relatives for burial?

(b) Why have the hospital authorities refused to release the bodies?

(c) Could the Minister ensure that the bodies are immediately released to the relatives to relieve them of the agony and trauma they are going through?

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

(a) I am aware that the bodies of the late Mrs. Veronica Josiah and Mrs. Mary Syombua have been lying at Kenyatta National Hospital for the last one month.

(b) The hospital has not been able to release the bodies due to non-payment of Kshs297,782 for the late Mrs. Veronica Josiah and Kshs16,740 for the late Mary Syombua respectively,

although relatives have approached the hospital which has advised them to enter into a credit arrangement to have the bodies released.

(c) I have instructed the Director of Kenyatta National Hospital to waive the charges and release the bodies for burial as soon as possible.

Mr. Mwanzia: Mr. Speaker, Sir, I want to thank the Assistant Minister for that very straightforward answer. I wish many Ministers could come to the House with such straightforward answers. This problem does not just affect Machakos Town Constituency, but the whole country. You will find bodies of poor people lying in mortuaries because their relatives cannot afford to pay the hospital bills. This is causing a lot of pain. Could the Assistant Minister come up with a directive to hospitals whereby, when poor Kenyans die, the hospital bills are waived automatically, after a request from either the affected families or the administration so that these people do not suffer?

Dr. Machage: Mr. Speaker, Sir, we have a policy on this issue. There is a Fees Waiver Committee in every medical institution in this country that belongs to the Government. However, the relatives of the deceased have to apply. The application on this issue was made on 30th May, and I took action on 6th June. You can see how fast I moved to make that decision. Unless the relatives show the institution that they are unable to pay, the automaticity of this is not guaranteed.

Mr. Muiruri: Mr. Speaker, Sir, this problem is being experienced countrywide. It is a very serious problem. I have been informed that there are some nursing homes in Thika and Nakuru which keep on inflating hospital bills for people who are likely to die. For example, you might find them inflating the bill for a cancer patient to about Kshs100,000. When the patient dies, they use his body to trade for payment. They even ask for title deeds in order to release bodies. The poor families end up holding Harambees to raise money to pay the bills as the bodies decompose in the mortuaries. Could the Assistant Minister come up with a policy to address this problem?

Mr. Speaker: I have asked this question several times: What do these hospitals intend to do with these bodies? Suppose the relatives cannot pay at all, what happens?

(Applause)

Dr. Machage: Mr. Speaker, Sir, it is a sad situation that we have a few medical institutions that engage in that kind of practice. It is abhorrent and unacceptable to the Ministry. However, every case must be handled on merit. We know of hospitals that have handled bodies of able families who have ignored their duties. I cannot, therefore, instruct or give orders that hospitals take that action. However, I will instruct that every hospital looks at every case in that hospital and takes action as soon as possible to avoid that kind of a scenario of having bodies rotting away because of the demand for money.

Mr. Mwanzia: Mr. Speaker, Sir, I am satisfied.

Mr. Speaker: If you are satisfied, I am also satisfied!

Mrs. Mwendwa: Mr. Speaker, Sir, is the Assistant Minister aware that we also have patients who have been detained for more than two years in hospitals, like the Kenyatta National Hospital (KNH)? There is a case of a lady from Kalitini who had her leg amputated at the KNH. She is lying on the floor because even her relatives no longer visit her. She has been at the KNH for two years because she cannot pay her medical bills.

Could bills for such cases be waived without going to any committees?

Dr. Machage: Mr. Speaker, Sir, I have not been made aware of the patient the hon. Member has referred to. I would like to invite her to raise that issue with the Ministry and we will take appropriate action.

Mr. Speaker: Very Well! Mr. O.K. Mwangi!

SCREENING OF *DA VINCI CODE*
FILM IN KENYA

(Mr. O.K. Mwangi) to ask the Minister for Information and Communications:-

(a) Is the Minister aware that the film the "*Da Vinci Code*" currently being screened in cinema theatres is blasphemous and a mockery to Christian the faith?

(b) Why has he allowed the screening of the film which continues to cause untold distress to Christians countrywide?

(c) Could the Minister ban its screening?

Mr. Speaker: Mr. O.K. Mwangi not here? This Question is dropped!

An hon. Member: *Ashindwe!*

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

(Loud consultations)

Mr. Speaker: This is a Question by Private Notice!

The Question is dropped!

An hon. Member: Defer it!

Mr. Speaker: Order, hon. Members! The Chair is impartial and will not, in any circumstances, treat differently, either Questions or hon. Members. Everybody must be equal before the eyes of Mr. Speaker, and the rule will be applied.

The Question is, therefore, dropped!

(Question dropped)

Mr. Ndambuki: On a point of order, Mr. Speaker, Sir. We have a lot of interest in this Question. If the hon. Member is not there, could we plead with you to defer it instead of dropping it?

Mr. Speaker: Absolutely not!

An hon. Member: *Aguswe!*

(Laughter)

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

Mr. Speaker: Order! Order! You should have prevailed upon the hon. Member not to be late!

ORAL ANSWERS TO QUESTIONS

Question No.070

COUNTRYWIDE ACCESSIBILITY TO
COMMUNICATION FACILITIES

Mr. Wario asked the Minister for Information and Communications:-

- (a) whether he is aware that lack of information and poor communication facilities are a major impediment to achieving development goals in the rural areas; and,
- (b) what plans he has to ensure that Kenyans countrywide enjoy accessibility to television (TV) coverage, telephone services and radio station frequencies.

The Minister for Information and Communications (Mr. Kagwe): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that lack of information and poor communication facilities are a major impediment to achieving development goals in rural areas.

(b) It is in recognition of this problem that the Government has laid down the following plans that will ensure that Kenyans countrywide enjoy accessibility to TV coverage, telephone services and radio station frequencies.

(i) The Government is in the process of setting a universal access fund that will support communication infrastructure development and service penetration. All stakeholders in the sector will be expected to contribute to the fund. The setting up of the fund is, however, awaiting the implementation of the National Information Communications Technology Policy once the Communications Bill is enacted into law by Parliament.

(ii) Telkom Kenya Limited is also in the process of implementing the Rural Telecommunication Project using the Code, Division Multiple Access (CDMA) Technology that will connect all the rural areas and divisional headquarters. The project is expected to commence in August 2006 and end in August 2007, at a cost of US\$24 million.

(ii) The Government is in the process of restructuring the Kenya Broadcasting Corporation (KBC) which includes modernisation of its equipment to enable it increase its coverage and provide quality service to the public as a public broadcaster.

(iv) A number of private television and radio broadcasting stations, including community broadcasters have been licensed to broadcast in various areas countrywide.

Mr. Wario: Mr. Speaker, Sir, I would like to thank the Minister for that answer. However, was the sacking of the Managing Director (MD), part of the KBC restructuring programme?

Mr. Kagwe: Mr. Speaker, Sir, I would like to first clarify that the MD of KBC was not sacked.

Hon. Members: Where is he now?

Mr. Kagwe: Mr. Speaker, Sir, this is purely a question of a contract. The MD was on a three-year contract and it came to an end. It was amicably agreed that he would prefer to do something else. I would also like to state here that the gentleman in question is now doing a very important job in this country as the MD of the Kenya Film Commission.

Mr. Ndambuki: Mr. Speaker, Sir, the KBC has been around for years yet there are a few stations that have come up and can be received even in the remotest areas of this country. How come the KBC, which is a national broadcaster, cannot be received in Kaiti? What is the Minister going to do to ensure that every Kenyan can access or receive KBC TV?

Mr. Kagwe: Mr. Speaker, Sir, I would like to thank the hon. Member for pointing out this issue. The KBC is only able to reach between 30 per cent and 35 per cent of the land mass of this country. That is a fact! However, the only way to address that particular issue is what I said earlier, which is basically to improve the infrastructure so that KBC is able to reach all parts of Kenya. Indeed, the only latest one that was done is the TV transmitting station at Vuria, which improved

coverage in Taita-Taveta District. However, I would also like to take advantage of this Question to inform the House that currently, we are broadcasting on analogue. The future is digital. There is a project that we are undertaking currently so that those people who are planning to buy radios had rather prepare themselves for the move from analogue to digital. Once we go digital, we will not only be able to reach the entire country but also we will go beyond our borders.

This is something that we are currently working on. Between now and 2007, we should be able to reach a huge part of the country. However, the digital process is something that is starting now. It is an expensive exercise and it is likely to take three to five years.

Mr. Wario: Mr. Speaker, Sir, I thank the Minister for the answer.

Question No.258

MEASURES TO SETTLE KAMASEGA FARMERS SOCIETY DISPUTES

Mr. Masanya asked the Minister for Co-operative Development and Marketing:-

- (a) whether he is aware that members of Kamasega Farmers Co-operative Society have had long running disputes resulting in loss of human life for several years; and,
- (b) what he is doing to resolve these disputes and dissolve the Society.

(Mr. Mwenje walked from the Back Bench towards the Dispatch Box without bowing to the Chair)

Prof. Olweny: On a point of order, Mr. Speaker, Sir. Is the hon. Assistant Minister in order to walk towards the Dispatch Box without bowing to the Chair?

Mr. Speaker: Well, I think he was mesmerised by the fact that he was coming towards the Dispatch Box. Mr. Mwenje, you must bow to the Chair.

(Mr. Mwenje bowed to the Chair)

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

(a) First of all, I want to say that I am aware that the problem exists.

(b) What happened was that in March, 1987 my Ministry ordered for an arbitration into the society's dispute and an award was made. However, this action did not contain the situation. An inquiry was then conducted into the affairs of the Society. On 9th December, 1998 the inquiry report showed that there was deep animosity between 61 members of the Society and 22 other members, who were opposed to the other group. I ordered for an election in April, 2005 which brought in new committee members. But even this action did not solve this problem. So, we involved the Provincial Administration to restore security to this farm. An Administration Police Post was built on the same farm to maintain peace. But this action also did not solve the problem. So, we have now ordered for liquidation of this society to ensure that members are settled on their pieces of land curved out of the farm. We will issue title deeds to the members, so that each of the 83 members of the Society is settled once and for all.

Mr. Masanya: Mr. Speaker, Sir, I thank the Assistant Minister for the answer. The initial objective of this co-operative society was for its members to buy and share out land and then dissolve the co-operative society. It has now taken these members over 20 years to settle down on their pieces of land. They have been fighting, killing one another and destroying property. Why has

the Ministry taken 20 years to settle members of this society and thereafter dissolve it?

Mr. Mwenje: Mr. Speaker, Sir, the hon. Member should appreciate that it was another Government that was involved at the earlier stage. Now that we have taken over power, the society will be dissolved. Each of its 83 members will be allocated a plot and issued with a title deed. Indeed, I am asking the hon. Member why it has taken him so long to bring this matter to the Ministry, so that we could resolve it the way we have done now.

Mr. Mwanicha: Mr. Speaker, Sir, I want to thank the Assistant Minister for the answer. He has now decided to ensure that land is sub-divided and title deeds issued to members. Could he give an assurance to this House that by a given date this matter will be finalised?

Mr. Mwenje: Mr. Speaker, Sir, I assure the House that this matter will be finalised, because there will be no society any more. The members cannot fight any more, because it is no longer a society. It has been dissolved. We are going to allocate the farm to members of the society. I know that hon. Michuki will make sure that there is peace on the ground. Every member will be allocated a piece of land, and be a chairman of his or her plot. That will be it!

Mr. Masanya: Mr. Speaker, Sir, the Assistant Minister has avoided giving a specific time frame within which these people will be settled and given title deeds. He has avoided answering that question. Mr. Assistant Minister, could you give us---

Mr. Speaker: Mr. Masanya, could you address the Chair?

Mr. Masanya: Mr. Speaker, Sir, could the Assistant Minister give this House a time frame within which he is going to settle these people and dissolve the society? In his answer, he has said that they have handed over the problem to the Provincial Administration. I was wondering whether it is proper for a Society registered by the Ministry of Co-operative Development and Marketing to be handed over to the Provincial Administration!

Mr. Mwenje: Mr. Speaker, Sir, the hon. Member, who is my old friend, is getting it all wrong. We have not handed over the problem to anybody. All that I am saying is that we have instructed the Provincial Commissioner to ensure that there is peace on the ground while my Ministry sub-divides the farm, and allocates a plot to each of the bona fide 83 members of the Society. The society has now been dissolved. So, the members will be dealt with as individuals. As for the time-frame, we have asked our officers to finalise this matter in the next two months.

Question No.373

NON-PAYMENT OF MONETARY COURT
AWARD TO MR. F.G. OTIENO

Mr. Owino asked the Attorney-General:-

- (a) whether he is aware that Mr. Fred G. Otieno was awarded monetary value for his vehicle Reg. No. KZH 399 of Kshs340,000 plus costs and interest at court rates vide court ruling of 10th December, 1999 in a Civil Suit No.626 of 1998 in the Senior Principal Magistrate's Court at Migori, but he has not been paid to date;
- (b) when he will be paid the entire sum that is owed to him.

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

(a) As to (a), the Attorney-General is aware that Mr. Fred G. Otieno was awarded general and special damages totalling Ksh340,000 by the Senior Principal Magistrate's Court at Migori.

(b) As to (b), payment to Mr. Otieno will be effected as soon as possible after his advocate presents a certified copy of the decree.

Mr. Owino: Mr. Speaker, Sir, the AG has given me a very short answer. I want him to give me more information, because this case has been on for the last eight years. This man was earning

Kshs5,000---

Mr. Speaker: Order, Mr. Owino! We should save the time of the House by addressing the real Question. The AG has said that the advocate should bring a certified copy of the decree.

Mr. Owino: Mr. Speaker, Sir, let me give some background to this matter. I have a copy---

Mr. Speaker: Order! I do not have the time for unnecessary issues!

Mr. Owino: Mr. Speaker, Sir, I have a certified copy of the decree here. If he wants me to table it, I can do that.

Mr. Speaker: Okay, give it to him.

Mr. Owino: Mr. Speaker, Sir, I want to ask him a question.

Mr. Speaker: Order, Order, Mr. Owino! It is the duty of the Chair to manage the business of this House. When a matter is cleared, we do not have to go into irrelevancies. All that the AG wants is a certified copy of the decree to enable him to make the payment. All he wants is a certified copy to allow him to pay. So, will you give it to him or not?

Mr. Owino: Mr. Speaker, Sir, this Question is very straightforward. However, what circumstances led to this situation? The Government is going to pay a lot of money.

Mr. Speaker: Order, Mr. Owino! Mr. Wako, do you want to respond to what he has said?

Mr. Ojode: On a point of order, Mr. Speaker, Sir. The decree was issued and taken to the Attorney-General seven years ago. To date, no payment has been made. Why should the Attorney-General wait until a Question is raised in Parliament for him to demand that the thing should be taken back to him?

Mr. Speaker: Order! Which one of you is the advocate for this party? I now order that no question relating to the execution of legal decrees should be brought to the House. Let advocates do their job and let litigants do their job. This has got nothing to do with Parliament.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. I concur with your ruling. However, there are situations whereby files disappear from courts. In order for us to assist the people who elected us, would it not be in order to query such issues?

Mr. Speaker: The question of why a matter has been delayed for too long is legitimate. However, when a judgement has been given and the litigant is unable to execute the decree, the court will not do it for him.

Mr. Ojode: Mr. Speaker, Sir, but that is a different situation!

Mr. Speaker: Order, Mr. Ojode! You have acquired a habit of generally supervising the Chair and doing so in a very disorderly fashion. You must bring yourself to the reality which is that you are not in charge of the Chair. So, please, relax!

Mr. Ojode: Much obliged, Mr. Speaker, Sir.

Question No.312

EXTENSION OF TRAINING RIGHTS
CONTRACT FOR BRITISH SOLDIERS

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

(a) whether he is aware that there have been cases in which the British soldiers training in Kenya have been accused of rape, plunder, murder and irresponsible behaviour like dumping explosives in open farmland and siring then abandoning children of mixed race;

(b) if the answer to (a) above is in the affirmative, if he could confirm that in spite of the accusations, training rights for the British soldiers were recently extended;

- (c) if he could table the details of the extension contract and clarify sections dealing with direct monetary compensation to the country, compensation of victims of crime, rape, murder, accidental death and illegitimate children; and,
 (d) how Kenyans are benefitting from the whole exercise.

The Minister of State for Defence (Mr. Karume): Mr. Speaker, Sir, I beg to reply.

(a) I am aware of various claims of abuse of human rights. The origin is irresponsible behaviour and dumping of explosives and ammunition with grave consequences by the British Forces training in Kenya. These reports have been made mainly from Samburu and adjoining areas where most of the British exercises are conducted.

(b) The Government has extended training rights for the British soldiers from 31st March, 2006 and they will remain in force for the next five years.

(c) This extension was preceded by comprehensive deliberations during which Kenya sought a review of the previous Memorandum of Understanding in her effort to safeguard the interests and rights of the people of Kenya especially those living in the training areas.

(d) Kenya benefitted from this British exercise in two main ways namely:

(i) The transfer of British experience and know-how in field operations especially for our infantry and engineering personnel who participate in these exercises.

(ii) The exercises have a dimension of civic affairs commonly referred to as the "exercises construction" which aims at benefitting the areas where the exercises are carried out. These include sinking of wells, grading of earth roads, as well as construction of classrooms in areas with acute shortage of these amenities.

Mr. Odoyo: Mr. Speaker, Sir, let me thank the Minister, my senior colleague, for that answer. However, there are various shortcomings that he has not addressed and I would like to bring them to his attention.

I had requested---

Mr. Speaker: Sorry, Mr. Odoyo! I may have to defer this Question until tomorrow because of time. The Vice-President and Minister for Home Affairs wanted to make a very brief Statement. So, can we continue from where we are tomorrow in the afternoon?

Mr. Odoyo: Mr. Speaker, Sir, that is very much in order.

Mr. Speaker: Very well. Therefore, the balance of all the other Questions will be dealt with tomorrow in the afternoon.

(Question deferred)

Question No.332

COLLECTION/DISBURSEMENT OF
ROAD MAINTENANCE FUEL LEVY

(Question deferred)

Question No.004

APPOINTMENT OF ZONAL QUALITY
ASSURANCE OFFICERS IN
SAMBURU DISTRICT

(Question deferred)

MINISTERIAL STATEMENTALLEGED STATE HOUSE VISIT
BY DEPORTED ARMENIANS

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, I wish to make the following Ministerial Statement on allegations that the deported Armenians visited State House.

Mr. Speaker, Sir, there have been many allegations and counter allegations made concerning the issue of the deported Armenians. Yesterday, a public statement was made and which has prompted me to issue the following Ministerial Statement.

Yesterday, the Leader of Official Opposition, hon. Uhuru Kenyatta, called a Press conference where he alleged that the deported Armenians visited State House. I would like to state here quite clearly and categorically that these allegations are untrue, have no basis whatsoever and are imaginative and speculative at best. The two deported Armenians never visited State House. As you are aware, that is not the first claim of non-existent meetings at State House which have been made and reported. This latest claim is just another of those fabricated claims.

Further, ridiculous and untrue statements have been made claiming that the two Armenians flew in the Presidential jet to attend the inauguration ceremony of President Yoweri Museveni in the middle of last month. Hon. Members are aware that Presidential departures and arrivals at the airport are public and always covered by the media. If such people ever flew in the Presidential jet, they would have been noticed. Such allegations can only debase the people who are making them.

The matter of deported Armenians and the events leading to their deportation is of such importance that His Excellency the President appointed an independent Commission of Inquiry so that the people of Kenya would get to know the truth as it is. I appeal to hon. Members to respect the laws that govern commissions of inquiry. Once such commissions have been established, the procedure is that anyone with information at hand, that may assist the commission in establishing the truth of the matter, should present such information to the commission.

The Commission has already indicated that it will hold its meetings publicly. This then should be the forum to present any pertinent information and evidence. Continued speculation, allegations and public statements will only serve to confuse Kenyans and undermine and pre-empt the work and findings of this legally constituted Commission of Inquiry.

In the meantime, I humbly request my fellow distinguished hon. Members to uphold the truth and refrain from making unsubstantiated claims and especially those targeting the person and office of the President. This is the least that the Kenya public expects of us.

Thank you, Mr. Speaker, Sir.

Mr. Muite: On a point of Order, Mr. Speaker, Sir. Yesterday, the Minister for Justice and Constitutional Affairs laid on the Table of the House a letter to the Speaker which, of course, received very wide circulation.

In the interest of the principle that justice must be seen to be done in addition to justice being done and in the interest of even hardening the joint Committee, on behalf of it, I beg you to allow me to lay on the Table of the House the joint Committee's comprehensive response to the issues which were raised in the letter by the Minister and the Attorney-General.

(Applause)

Mr. Speaker: Very well! You can table it. I hope this will not be a tradition and a one-off

issue. So, lay it there. I will look at it and take it into account when making my ruling.

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

The Assistant Minister for Water and Irrigation (Mr. Wanjala): On a point of order, Mr. Speaker, Sir. The matter at hand is of interest to both Backbenchers and Frontbenchers. I am one of the Frontbenchers. The letter was addressed to the Chair and not to the Committee. Is it in order for the hon. Member to respond to that letter which was not addressed to him or the Committee?

Mr. Speaker: Order! Mr. Wanjala, do you read the Bible? Whatever you do in the dark will be brought to the limelight. So, whatever you are asking of me to make a ruling on, it will come here. So, there is nothing secret. You are also welcome to make your presentations to me.

Next order!

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW
LEAVE THE CHAIR

(The Minister for Finance on 15.6.2006)

*(Resumption of Debate interrupted
on 21.6.2006)*

(Third Day of Budget Debate)

Mr. Speaker: Mr. Manoti, you were on the Floor. You have five minutes to contribute to the Motion.

Manoti: Thank you, Mr. Speaker, Sir. I was addressing myself to the Ministry of Water and Irrigation. Its activities are not seen in the rural areas, yet, it receives a lot of money. In the 2005/2006 Financial Year, it received Kshs6 billion towards provision of water to our people. In the current financial year, it has been allocated Kshs5 billion. However, the money received in the rural areas, especially at district level, is not more than Kshs5 million. We wonder where most of it goes to. For that reason, I ask hon. Members to support my proposal that each constituency gets its share and controls its water. We should not leave all the amount to the Ministry to allocate it as it wishes.

Mr Speaker, Sir, one of our most critical Ministries is the Ministry of Energy. However, the Kenya Power and Lighting Company (KPLC) has not fully implemented the Rural Electrification Programme (REP). Although a lot of money has been paid by people who want to be connected with electricity, the KPLC has done very little on the grassroots level. We wonder where this money goes to. They demand a deposit of Kshs32,000 before they can connect someone to electricity. We all know that there are very few people in the rural areas who can afford a deposit of Kshs32,000. Could the Ministry direct the KPLC to reduce this amount? Could it also further direct the KPLC to connect people to electricity on a loan repayable within one year? I can see the Assistant

Minister for Energy in the House. I would like him to pay more attention to what I am saying. There are people who have paid deposits to the KPLC to be supplied with electricity and their money is not earning interest in bank accounts. That money should start earning interest if KPLC cannot connect those people to electricity.

Mr. Speaker, Sir, I would like a report to be tabled here to show how many new consumers have been connected to electricity. We do not want the Minister to come here to answer endless Questions on electricity. The connection of electricity to health centres and schools should be exempted from the Value Added Tax (VAT). Whenever such applications are received by the KPLC, it normally gives quotations inclusive of the VAT. Since these are public institutions, I am asking the Ministry to exempt them from paying VAT on electricity connection.

Mr. Speaker, Sir, the security situation in the country is very bad. Many thugs have now moved to the rural areas where they do not get any resistance. Whenever people in the rural areas are attacked, they come out with spears and *rungus*, and yet, those thugs are heavily armed. As a result, many shops have been closed down because of frequent attacks. In my constituency, for example, in a span of three months, six people have been killed. There was nobody to rescue them. I, therefore, ask the Ministry in charge of internal security to allow businessmen in trading centres to own guns to fight those thugs.

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

Mr. Wario: Asante, Bw. Spika. Ninamshukuru Mwenyezi Mungu kwa kunipa fursa hii ili niwezekuchangia Hoja ya Bajeti ya mwaka huu. Tumepigwa na butwaa na kushangaa kama hii ni Bajeti, mikakati au mipango ya kampeni ya uchaguzi mkuu ujao wa mwaka wa 2007. Bado tunangojea ahadi zilizotolewa kwa wanawake, vijana na watoto wetu zitekelezwe. Hatuwezi kuamini kama hii kweli ni Bajeti ya taifa. Ni mazoea ya Mawaziri wa Fedha kutoa ahadi ambazo hazitekelezwi.

Bw. Spika, ni ndoto ya Wakenya kuona kwamba usomaji, upangaji na ugawaji wa rasilimali ya taifa umewekwa mikononi mwa waheshimiwa Wabunge ili haki ya Mkenya yeyote iheshimiwe.

Kuna mifano mingi mizuri kuhusu maendeleo ambayo yamepatikana katika nchi hii. Tunaambiwa kuwa vijana 460,000 walijajiriwa kazi. Hata hivyo, kule mashinani mambo ni tofauti kabisa. Je, vijana hawa walijajiriwa kazi angani au wapi? Hapa ardhini, hatuoni kabisa vijana wetu wakifanya kazi. Walijajiriwa kazi wapi?.

Bw. Spika, licha ya ukame uliotanda na kudhoofisha maisha ya wengi katika nchi ya Kenya, bado Waziri anajigamba kwamba uchumi wa nchi umekua. Ningemuomba akumbuke kwamba mwaka wa 2002, bei ya mfuko wa kilo mbili za unga bei ilikuwa Kshs28, lakini leo ni Kshs60. Bei imepanda vipi? Waziri anasema uchumi umekua. Angalia bei ya mafuta taa. Katika mwaka wa 2002, bei lita moja ya mafuta taa ilikuwa Kshs27, lakini leo ni Kshs50. Bei ya mafuta ya petroli imepanda zaidi. Sasa tunaambiwa uchumi umekua. Vipini? Bei ya bidhaa muhimu kwa wananchi bado iko juu.

Bw. Spika, Waziri alitwambia kwamba kamwe hataki msaada kutoka nchi za nje na hakuweka huo msaada katika Bajeti yake. Ukifungua kitabu cha Development, ukurasa wa kwanza, utaona kwamba Kshs30 bilioni zimeonyeshwa kama deni kwa Serikali, na Kshs28 bilioni zikaonyeshwa kama msaada. Ikiwa hizi si pesa za msaada, kwa nini Waziri ameziweka pale? Kati ya Kshs137 bilioni, zaidi ya Kshs70 bilioni ni pesa kutoka nje. Kwa nini anawapotosha Wakenya kwa kusema kwamba yeye hataki misaada ya Wazungu? Je, wanakataa msaada huu kwa sababu ya utandawazi? Hakuna msaada unaotolewa bure. Kila msaada huja na masharti, na moja ya masharti hayo ni utandawazi. Yafaa Waziri aangalie, isiwe ni fursa ya kukataa kuelekeza wajibu wake ndiposa akatae msaada kutoka nje.

Bw. Spika, Bajeti hii imeongeza bei ya mafuta kwa Kshs3.20 kwa kila lita moja. Kwa watu

wanaotumia usafiri ya umma, kuanzia leo, nauli zimepanda kwa Kshs20. Mimi niliye na gari, sitalipia road licence. Hii Bajeti ni ya matajiri au maskini? Mwananchi wa kawaida ambaye analipa nauli ya matatu, leo analipa Kshs20 zaidi. Lakini mimi mwenye gari, sitalipia road licence tena. Sasa, ni Wakenya wangapi ambao wanajimudu kununua gari ndiposa waondoe road licence? Ni wananchi wangapi leo ambao wataathirika kutokana na vile bei ya mafuta ilivyopanda? Wengi sasa hawataweza kutumia kawi ya aina nyingine, na watalazimika kutumia makaa. Hili ni tisho kubwa kwa mazingira ya Kenya na jambo hili linanishangaza.

Bw. Spika, ni kweli Waziri alitenga Kshs500 milioni kwa minajili ya mfuko wa dharura. Asilimia 80 ya Kenya ni sehemu kame, na asilimia 25 ya idadi ya Wakenya ni watu wanaoishi katika sehemu kame, na wamepoteza mifugo yao. Bajeti hii haijaangazia vipi maisha yao yataboreshwa.

Bw. Spika, ningependa pia kumpongeza Waziri kwa kutenga Kshs1.5 bilioni kwa minajili ya maji. Katika Bajeti ya mwaka jana, kiasi kama hiki kilitengwa. Hatimaye, zaidi ya Kshs531,857,810 ziliondolewa katika Supplementary Estimates. Wakati wanapotoa ahadi, wanatoa kwa jumla kwa sehemu kame. Huu ni mwaka wa tatu. Kila Bajeti inaposomwa, tunaahidiwa pesa nyingi kwa sehemu kame. Lakini Supplementary Budget ikiletwa, mpango huo unageuzwa na pesa hizo zinapelekwa sehemu nyingine. Je, wakati huu, tuna hakikisho gani kwamba Kshs1.5 bilioni zilizotengwa kwa minajili ya sehemu kame zitapelekwa kwa sehemu kame?

Bw. Spika, ni furaha kubwa kuona kwamba Waziri ametenga Kshs200 milioni kwa ajili ya Kenya Meat Commission (KMC). Je, kufufuliwa kwa KMC na kupambana na maradhi ya mifugo, ni jambo gani linalostahili kupewa kipa umbele? Ningefikiri ni bora zaidi kupambana na maradhi ya mifugo kwanza, kwa sababu utakapofungua KMC leo, soko yake itakuwa nchi ya Kenya pekee. Huwezi kuuza bidhaa zako nje ya Kenya.

Kwa hivyo, ingafaa Waziri atoe kipa umbele kwa maradhi na karakana, haswa zile zinazoleta mifugo kutoka mashinani hadi kwa taifa. La sivyo, katika soko huria, KMC haitaweza kutekeleza wajibu yake. Ninadhani KMC ina wajibu mara mbili; biashara na umma, hasa wakati wa ukame.

Bw. Spika, kama kuna kitu kimoja ambacho kimenifurahisha katika Bajeti hii, ni pendekezo ambalo Waziri ametoa kwamba atabadilisha kifungu 51(3), cha sheria ya benki, kuileta sheria inayoruhusu kuanzishwa kwa benki ya Kiislamu. Nafikiri mimi ni mfano mzuri katika Bunge la Tisa. Sijanufaika na mikopo inayotolewa. Mikopo hii ni kinyume cha mafundisho ya dini ya Kiislamu ambapo Waislamu wengi hawawezi kufaidika. Leo, kuambatana na pendekezo hili, bila shaka, huenda tukanufaika.

Bw. Spika, shilingi bilioni moja kwa vijana ni ahadi nzuri iwapo itatekelezwa, na utumizi yake yasawazishwe kote nchini. Katika Bajeti ya mwaka jana, Nyeri ilipewa Kshs800 milioni kwa minajili ya maji. Tana River ikapewa Kshs3 milioni. Baina ya Nyeri na Tana River, ni Wilaya gani ambayo inastahili pesa nyingi za maji? Leo, utakapoleta shilingi bilioni moja kwa minajili ya vijana, zigawanye sawa sawa kwa taifa zima ili isiwe ni chombo cha kufanyia siasa.

Bw. Spika, ingawa sekta ya elimu ilipewa pesa nyingi, hakuna shule moja katika mawakilisho ya Bura ambayo ina walimu wanaostahili kuweko. Kila shule ina walimu wachache kuliko ile idadi inayostahili kupatikana katika hiyo shule. Utakapozungumza juu ya elimu ya bure, ni lazima uboreshe karakana, na ni lazima ulete walimu wa kutosha. Bila kuboresha karakana na kuleta walimu wa kutosha, elimu ya bure itakuwa elimu ya bwerere.

Kwa hayo machache, ninaunga mkono.

The Assistant Minister for Labour and Human Resource Development (Ms. Mwau):

Thank you, Mr. Speaker, Sir, for giving me this opportunity to support this year's Budget. I want to congratulate the Minister for a very innovative Budget. During his presentation, very few of us actually dozed. We were very alert because the Budget spoke to every Kenyan.

Mr. Speaker, Sir, this year's Budget increased allocations to key sectors; education, agriculture and so on. The Budget also addressed the plight of the poor, for example, the victims of tribal clashes since 1992.

Mr. Speaker, Sir, the removal of VAT on small items like diapers is a very welcome idea, particularly to women who are in reproductive years. I also want to thank the Minister for not factoring in foreign aid. The Kshs1 billion set aside for youth enterprises and 50 per cent of that money going towards women enterprises is also very welcome.

Mr. Temporary Deputy Speaker, Sir, I would like to encourage younger women from the age of 18 to 35 years to join groups or come up with innovative ideas to employ themselves. I know that this is the time that young women have a very heavy reproductive role. So, the Ministry of Youth Affairs needs to come up with strategies to make sure that those women are helped to benefit from this money.

*[The Temporary Deputy Speaker
(Mr. M'Mukindia) left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, the youth need to be mobilized to employ themselves. There is need for the Ministry of Youth Affairs to come up with projects that are sustainable and which will help the youth to employ themselves. We hope that there will be capacity building among the youth before this money is given out to them. The money which has been allocated for enterprises needs to go to micro-finance organizations which can put up structures that the youth will benefit from. This is the first Budget, since our Independence, to actually talk about the youth and women. I would like to congratulate the Minister for that.

Mr. Temporary Deputy Speaker, Sir, the Kshs14 billion for the road levy is a welcome idea. I hope that more roads will be built. Last weekend, I actually got stuck for two good hours in a road in Makueni. So, I hope that this money will be used properly. The Ministry of Roads and Public Works was also given quite a substantial amount that will be used to improve our roads.

Mr. Temporary Deputy Speaker, Sir, it is important to ensure that there is a fair disbursement, accountability and audit of those funds that are going to the youth. We need to have experts from micro-finance institutions to make sure that all the institutions which will be involved disburse the funds. If this Fund is managed well, it can create a significant contribution for employment creation and ultimately, move toward poverty eradication, particularly among the youth.

Mr. Temporary Deputy Speaker, Sir, the removal of the road licence might lead to the high cost of transportation. Strategies need to be put in place so that people are not exploited by transporters.

The provision of water in ASAL areas is very critical. Now that the Ministry of Water and Irrigation has allocated a substantial amount of money to ASAL areas, we hope to see a dam, borehole or a water pan in every sub-location or village so that women can save on the time they spend looking for water. We also learnt a lesson from the last famine. So, the money that was put aside for early warning systems need to be utilized so that we do not experience another famine. The Kshs500 million which was allocated for drought need to be used so that policies, early warning systems and strategies are put in place since most of our areas are not prone to drought.

Mr. Temporary Deputy Speaker, Sir, the idea to settle tribal or ethnic clash victims is a welcome move and I hope that justice will be done. We expect that, as the survivors of these ethnic

clashes are resettled, women will be taken care of and given priority. Also, a gender sensitive strategy has to be adopted so that women are identified and taken good care of.

Mr. Temporary Deputy Speaker, Sir, the Free Primary Education Programme also got quite a substantial amount of money and it is a welcome idea. There is need for more teachers so that the heavy burden of teaching big classes is reduced. We also welcome the increase of the Constituencies Development Fund (CDF) from Kshs30 million to Kshs50 million because that money will trickle down to the rural areas. It is important that these projects are prioritized and implemented by the community. It is not fair to allocate Kshs500,000 to a water project which will cost Kshs7 million. So, there is need for hon. Members to make sure that they finance projects to completion. If a community needs a water project urgently, we should allocated the Kshs7 million to that project and move to another location so that the water issue is solved for good.

Mr. Temporary Deputy Speaker, Sir, I have said that the Youth Fund is very critical and I hope that very serious steps are going to be taken to make sure that youth groups are formed, if they are not there. These youths should also be taken through capacity building so that they can benefit from those projects.

Mr. Ochilo-Ayacko: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to address this issue. This has been a very terrible Budget because the ramifications of what the Minister for Finance did in the Budget are yet to be felt. But those of us who have looked at them are very terrified at what will be the year that the Minister for Finance has read this Budget.

Mr. Temporary Deputy Speaker, Sir, I want to declare my interest by saying that I represent sugar-cane growing farmers. The Minister for Finance removed the Sugar Development Levy (SDL) from being levied on the consumers and transferred it to the farmers. The reason the Minister gave for this action is that this will reduce the cost of sugar consumed by consumers. Let me use the scenario of Mumias Sugar Company to explain my point. The company produces sugar, after all the taxes have been factored in, at a cost of Kshs22 per kilogramme. They then sell it at an ex-factory price of Kshs44. Now, if you look for that sugar after it has been acquired by traders, the traders will sell it to you at Kshs80 per kilogramme.

Therefore, the Minister's proposal will neither help the sugar companies nor the farmers but rather the traders. One category of traders who will benefit immensely from the Minister's magnanimity is the sugar importer. The sugar levy also used to be levied on importers. Removing this levy on importers and visiting it on sugar-cane farmers means that imported sugar will be cheap. The previous Government made sugar-cane trade a cash cow. What I am reading from the Minister's Budget Speech is that, perhaps, there is intention by the Government to make sugar business, especially that undertaken by importers, a cash cow. This will spell doom to sugar-cane growers countrywide.

Mr. Temporary Deputy Speaker, Sir, you know very well that the Minister for Agriculture has repeatedly admitted that sugar-cane factories are under-capitalised. Sugar-cane factories in this country are owned by the Government. The responsibility to capitalise them should squarely fall on the Government. What does the Government do? The Government comes in and sits on the farmers. The farmers are the people, ostensibly, the Minister wants to empower by empowering people in the rural areas. So, if the Minister is well intentioned and good meaning to all Kenyans, the proposal that the sugar levy be visited on sugar-cane growers should be removed and the proper situation be re-adjusted, where it is paid by the consumer.

Mr. Temporary Deputy Speaker, Sir, you also heard the Minister for Finance say that Ministers, Assistant Ministers and Permanent Secretaries (PS) will now each be entitled to only one official vehicle. This does not solve anything. If with all the vehicles and other resources at the disposal of these public servants, the quality of service is still wanting, what will happen if we deny them access to official vehicles? The proposal makes this Budget very ominous. Right now, a

Minister has vehicles, fuel and money but, for other reasons, service cannot trickle down to the common *mwananchi* out there.

So, try to imagine a situation where the Ministers will not have vehicles. I do not know what will happen to the quality of service that we expect. What Kenyans have been asking for is quality service. You cannot quantify service in terms of money. You cannot say that Ministers have been driving in four vehicles each. I know that Ministers drive in one vehicle each although four vehicles may be attached to them. The Minister for Finance should re-think this proposal and try to address the issue of quality of services that are offered to the people right from the top to the bottom, without necessarily trying to tell the public that some money will be saved. If money is saved and no service trickles down to the people, then that will be a very ominous and terrible situation in this country.

Mr. Temporary Deputy Speaker, Sir, in the Minister's Budget Speech, there was intention by the Government to please the youth of this county by establishing a Youth Fund. We are yet to see any concrete appointment by the President of this country given to any youth. I do not know who will implement all the policies that are intended to benefit the youth. If you truly want to benefit the youth of this country, start by having youthful persons given positions of responsibility.

You should start by encouraging youthful persons to engage in active politics, so that they can also get elected to high offices. At least, try and look for a youthful Vice-President, youthful Ministers and a youthful Head of the Public Service and Secretary to the Cabinet. You should not go about looking for retirees who have had their youthful tenure in public office and continue to have beautiful moments in their sunset days. I believe that the Government is enjoined to match the words that were read on behalf of the Government by the Minister with actions by the Head of State. So, I am quite sceptical about the benefits that this fund will confer upon the youth of this country unless we start seeing heads of departments who are educated and youthful.

Mr. Temporary Deputy Speaker, Sir, something very tragic is also happening to the youth of this country. It is the dream of the youth of this country to acquire university and middle-level college education. Only yesterday, the Joint Admissions Board which oversees matters of admission to public universities admitted that only 10,000 vacancies are available to the youth of this country. That means that out of about 300,000 youths who sit for the Kenya Certificate of Secondary Education (KCSE) examination each year, only 10,000 will, annually, get university education.

We know that the face of poverty in this country is youthful and feminine. Those who are locked out of university because they cannot afford it are young persons. In this Budget, there is no indication whatsoever that university opportunities will be expanded or that university education will be made affordable to those who need it. To try and give the youth of this country Kshs1 billion and deny them university education is robbery in broad daylight. If the Minister does not re-think this proposal, the youths of this country who are of voting age will take this very unkindly. You cannot deny them university education and employment opportunities and give them Kshs1 billion token. What are you giving them Kshs1 billion for in this country where poverty is runaway? I believe that this Budget was designed to reach out politically, but it was a Budget that was more intended to raise revenue which is badly needed by the Government.

In the recent past, you heard the Head of State talk about jump starting the constitutional review process while receiving the proposals of the so-called "Eminent Citizens". However, even if you scrutinise this Budget using a microscope, you will not find any money that has been set aside for completion of the constitutional review process. So, I do not know where the Government's commitment to prioritise completion of the constitutional review process went to. I do not know why the Minister for Finance left out such a vital proposal.

It has become very clear that there is no willingness, intention or desire on the part of the

Government to deliver a new Constitution to the people of Kenya. That lack of such an intention is reinforced by the fact that the Government is not holding any talks with the Opposition and other stakeholders about the constitutional review process. It is, therefore, quite clear that the issue of making a new Constitution for this country is forgotten. It is also quite clear that corruption and other forms of malpractice will not be a thing of the past because reform has not been taken on board.

I would like to conclude my speech by saying that the Minister's decision to scrap road licence and enhance the Fuel Levy Fund has made the lives of Kenyans very expensive. Some of us who depend on fuel to move around are really suffering. I know that the Minister for Finance will join us in this suffering as soon we have a change of Government. I urge him to change his mind and remove that burden from Kenyans.

With those few remarks, I beg to oppose.

Mr. Kagwima: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. I will start from where my colleague stopped.

Mr. Temporary Deputy Speaker, Sir, agriculture forms the backbone of our economy. I have listened very carefully to what has been said about the sugar levy. There are so many other levies like those imposed on coffee and tea. We need to harmonise these levies. If coffee and tea farmers pay for the development of their respective industries, why should the same not apply for sugar farmers? As the beneficiaries of the industry, they should develop it. Sugar, coffee and tea farmers need to pay for the development of the sector.

I now want to talk about the development of roads. I am glad to note that the Minister for Finance has set aside more money for the development of our infrastructure, especially roads. However, we have a perennial problem. The engineers in the Ministry have developed bad habits of converting public money for their own use. If you try talking to them about it, they think that you are just singing. For us to correct that anomaly, our engineers must--- If you tell an engineer to stop wasting public money, he thinks that you are joking. Should that money go into public use or individual use? If the money was properly utilised, Kenya would have good roads in the next few years. The cost per kilometre, for constructing roads, whether gravel or tarmac, is very high. We need to look for more efficient ways of constructing our roads so that the money we have can cover more kilometres. The issue of spending Kshs10 million or Kshs20 million per kilometre, for bitumenising the roads is too high. We should quickly move into using concrete. We have been saying that the use of concrete would be more expensive than tarmac. However, the good thing about using concrete is that we will be using our own local materials. We would also be increasing the sale of cement if we used concrete and creating more employment in the cement industry. I want to support the fact that we should experiment the use of concrete.

Mr. Temporary Deputy Speaker, Sir, on the issue of water, I noted that the Ministry has been allocated more money. Previously, when the present Minister for Justice and Constitutional Affairs was the Minister for Water and Irrigation, she started very good reforms, including forming water boards. However, the engine has stalled. I want the new Minister to hear me. The formation of the boards is not on-going. For instance, in Tharaka District, we do not have a representative of the board. I visited the Ministry offices on Monday and found one officer who seemed to be stranded because there is a move to shift the board offices to the district headquarters. The officer seemed stranded because he did not know what was going on. Until that issue is harmonised, some districts will not make progress. I want to ask the current Minister for Water and Irrigation, who is also a friend of mine, to save us from that problem.

I come from an ASAL area, one of those which are being given priority. However, we cannot be given priority if we do not have personnel. Therefore, we should have some personnel. Under the same Ministry of Water and Irrigation, we have engineers - whom I hate to talk about

because I am also an engineer - who are dishonest. I do not like engineers who are dishonest. The engineers in the Ministry of Water and Irrigation are dishonest. They have the sickness of wanting to convert public money into their own use. In the last two years, the Ministry allocated us money. However we are now struggling with audit queries where engineers have either converted money into their own use or returned some of it to the Treasury. We need to move quickly and punish officers who do not work well. We need to implement the contract-based employment structure. I am happy that the contracts will be lasting for only a year. It will be good if the contract system is implemented because officers who will be punished for wrong doing will have taught the rest a lesson. Let us make use of the contracts to discipline people who think that public money belongs to them.

Last year, the cotton sector was allocated Kshs250 million for development. I come from an area that grows cotton. Instead of the production cost going down, it has gone up. The prices have also gone down despite the allocation that was made last year. Therefore, I do not know what happened to the money. When the Minister for Agriculture will be moving his Vote, he will tell us what happened to the money that was allocated to the cotton sector. This year, I think the allocation is Kshs265 million. We should ensure that the money goes directly to benefiting farmers. We should, on a trial basis, choose a few areas where we can put a combination of a cotton ginnery and a mill so that we feed cotton on one end and produce yarn on the other end. That would give us value for our products more than the ginned cotton.

Unfortunately, we have left milling to Asians who have formed a cartel which decides the price for ginned cotton. So, prices have moved down from Kshs27 to Kshs17 per kilogramme which is a difference of Kshs10. If we do not move fast to check the production of cotton, it will disappear. I think if the Minister for Trade and Industry and that of Agriculture came together, they would ensure that we get the most modern machines that would enable us to have both the ginnery and the mills. That way, we would get better prices and improve the lives of our farmers. If the prices improved, cotton farmers would also pay levies like the tea and coffee farmers. Sugar-cane farmers would also pay levies to support the industry that is sustaining them. For instance, if we have farmers paying levies to a factory that serves them, then it would be easy to open another factory in the same neighbourhood.

We have been talking about industrialising this country by the year 2020. We have been talking about industrialising this country for a long time. At this rate, we will continue to talk and find ourselves not industrialised by the year 2020. That is why I am talking about agricultural products being processed to finished goods, hence giving them more value. Finished goods fetch more money. Industrialisation would also be strengthened and quickened if we supplied electric power to the rural areas. At the moment, most rural areas do not have electric power supply, so we cannot put up the agri-industries we are talking about.

With those few remarks, I beg to support.

Maj-Gen. Nkaiserry: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this very important Motion. First of all, I would like to say that I support the Motion. You may think that this is a very good Budget. But if you look through the lines critically, you will find that it is very bad for the poor person. The poverty index is very high. The Government recently told Kenyans that, last year, there was an economic growth rate of 5.4 per cent *per annum*. But that has not changed the living standards of our people. As we speak today, the inflation rate stands at 13 per cent. Yet, this Government is telling Kenyans that it is doing a good job to alleviate poor living conditions. What is most disappointing in this Budget - and I would like the Minister to listen carefully--- I would like to make a critical statement. There is a very critical area that the Minister never addressed. He never addressed problems affecting the pastoralists. We lost over 75 per cent of our livestock. I would like to ask the Minister: What is the

level of poverty of those people? How much have you considered allocating those people? What you have put in that Drought Contingency Fund is Kshs500 million. What is that? It is a drop in the ocean. It means that this Government is very insensitive to pastoral communities. I would have expected the Minister to say that this country, having come out of a very severe drought, has set aside a certain amount of resources to mitigate the position of the pastoralists. That would mean the re-stocking of animals. Parents from those areas cannot take their children to universities and secondary schools. The tragedy in this country is that not even a single Minister in this Government has visited the pastoral community to see how those people live since they came to power. In fact--

(Loud consultations)

The Temporary Deputy Speaker (Mr. Khamasi): Order, hon. Members!

Maj-Gen. Nkaiserry: Mr. Temporary Deputy Speaker, Sir, I think there is a small problem there. I would like the Minister to realise that, as a pastoralist, we demand to be considered with regard to bursaries to primary, secondary and university students. That is because the money allocated through the Constituencies Development Fund (CDF) is peanuts. We have no animals to sell.

Mr. Temporary Deputy Speaker, Sir, this Budget is self-defeating. I would like to propose that road licence fees should be reinstated. We do not want to raise the Fuel Levy because it is already killing the poor man. The public transport sector has already increased fares. That is killing the poor people. The Minister should reconsider that. The other thing which is self-defeating is where the Minister said: "We have put aside about Kshs1.3 billion out of the motor vehicle expenses." He then turned round and said: "I am giving out motor vehicle allowances for members of the Government at the rate of Kshs150,000!" That translates to over Kshs4 billion! You are saving Kshs1.3 billion and losing Kshs4 billion! What are you saying there? You are playing with figures so that people--- It is a very populist Budget. It is not for the poor.

Mr. Temporary Deputy Speaker, Sir, on the Budget deficit, the Minister said that we require Kshs57 billion to balance it. He has not even told us how he is going to mitigate that. He told us that they are going to sell strategic parastatals. Since they came to power, they have been trying to sell those parastatals. As I speak now, you cannot sell those parastatals. It is not possible. So, the Minister is likely to create a situation whereby the deficit will increase at the expense of Kenyans.

Mr. Temporary Deputy Speaker, Sir, the issue of donor funding is another very glaring area where the Minister actually misled Kenyans. We know that they are not receiving anything in Budget support. But we know that the donor community is supporting development projects to the tune of Kshs70 billion! So, the Minister should have told Kenyans whether those are grants or loans, so that we can prepare for them. But this Government is really tricking Kenyans by saying: "We are doing this or that!" Yet, it is not the case.

Mr. Temporary Deputy Speaker, Sir, the wage bill is very high. I am very disappointed because, as a retiree, having served this Government good and impeccable service for 32 years, I have not been considered! No funds were allocated to retirees, despite their good service to this country. That is why this country is very stable. You should have considered and allocated the pensioners some little money to mitigate their living standards.

Mr. Temporary Deputy Speaker, Sir, the Minister did not consider the issue of teachers salaries and their employment. In my constituency, we have a shortage of 100 teachers. You can imagine the quality of education! The Minister should have given enough money to the Ministry of Education, so that it can employ more teachers. I do not know the priorities of this Government. I

do not know whether they want quality people or good security.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of security, not even a single statement was made regarding the security of this country, which has been under threat since this Government came to power. We had the problem of the Armenian brothers creating a mess in our country. In fact, they are going to mess our economy. Our premier airport, Jomo Kenyatta International Airport (JKIA), is the gateway to East and Central of Africa. If that airport is going to be down-graded due to insecurity--- The Government has not come out and said: "We have taken that into consideration!" It is amazing how this Government is very casual. This country is actually under God's care. Where is the political leadership which this Government promised Kenyans? If there is political leadership and this Budget is implemented, I am sure the Minister for Finance would get a medal that is recommended by all Kenyans. But this is lip-service! There is nothing this Government is going to do on insecurity. It is just a question of pleasing the people.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about the issue of water in the 22 districts in Arid and Semi-Arid Lands (ASALs). I am glad that the Minister for Water and Irrigation comes from ASALs. But he has never visited ASALs to see the suffering of those people, so that he can allocate the money appropriately. It is amazing that he has people sitting in Nairobi overseeing so much money and yet, they do not know how that money is used. I would like to give free advisory service to this Government. Ministers must get out of their offices, see how Kenyans are suffering and allocate funds according to their needs.

With those few remarks, I beg to support.

The Minister for East African Community (Mr. J.K. Koech): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this important Motion. I would like to congratulate the Minister for Finance for the way he organised this year's Budget. I would also like to congratulate the Government for making such tremendous improvement in the economy. We have realised an increase of more than 5.8 per cent in economic growth. That has never happened before. It means that, within three years, this country has began to grow. Sometimes, when I hear a lot of opposition, I begin to wonder whether the people who give a litany of problems live on earth or on Mars. Some of the issues that were raised by the previous speaker are clearly stated in the Budget. Problems affecting Arid and Semi-Arid Lands (ASAL) were addressed. More money has been set aside to construct dams and drill more boreholes. During this financial year, the Government has spent a lot of money to assist famine stricken areas in ASALs. It has even assisted families who lost their animals to re-stock. Therefore, in this Budget, there is money to assist pastoralists.

Mr. Temporary Deputy Speaker, Sir, on the question of donor funding, the Minister stated very clearly that funds meant for certain programmes have been clearly outlined in the Budget. So, when you say that the Minister is hiding something--- Everything is in the Budget that he read out in the House. I do not know what the hon. Member was doing during the Budget Speech. If he was not listening, at least, he should have read the Speech to get the correct picture.

Mr. Temporary Deputy Speaker, Sir, it is easy to criticise. I do not think the Opposition is meant to criticise. It is meant to do constructive criticism. They must be fair in their assessment and not criticise everything. Now, when we talk in this House and say: "We must have money for this and that", surely, is our economy able to provide all the services that we need? We all know that the population of this country is heavy at the bottom. We have more youths in this country. So, giving the youth the necessary funding is not very easy, because we keep on producing more children. The amount of money that we get is not enough to provide for all our needs, including opening more universities. It is a good idea to have more universities. However, who is refusing? It depends on the capacity of the country to handle that. I think we should be fair when we talk. We should not just talk for the sake of it. Therefore, I want to encourage hon. Members in the

Opposition--- I have been a Back-bencher for a long time, but I think it is always good to read. I know the biggest problem with politicians is lack of time to read. I can excuse most of my colleagues. When you are harassed so much by constituents, you may not have time to read the Budget. That is the reason why, when some of us talk, they do not say the right things. I encourage those who will come after me to read the Budget so that, when they criticise, they will be using the right information.

Mr. Temporary Deputy Speaker, Sir, after attaining an economic growth rate of 5.8 per cent, what is the implication? It does not mean that there is no poverty in this country. But the opportunities that have been created by the growth of the economy are quite enormous. They include employment of about 500,000 people this financial year. Interest rates have gone down. Our private sector is flourishing because the Government has not been borrowing heavily. The Minister has undertaken to even lower the interest rates further. That will attract more funds for the private sector. With more funds available to the private sector, more people will get some gainful employment.

Mr. Temporary Deputy Speaker, Sir, let us take the example of Constituencies Development Fund (CDF). When the Government is investing more than Kshs30 million in every constituency, the impact in terms of jobs and business opportunities is tremendous! I have seen it in my constituency. Quite a number of masons, who were idle before, are now getting gainful employment by building schools. They are using CDF to develop themselves. Carpenters and small-scale traders also do booming business. Bookshops in most areas are busy selling books to schools. What is that, if it is not employment? What is that, if it is not generating income to quite a good number of our people? I think we must be honest in that regard. The Government is doing everything possible to ensure that there is development in this country. However, you cannot expect the Government to do miracles in only three years. But, as we move on in the right direction, we expect more people to get gainful employment or employ themselves in one way or another.

Mr. Temporary Deputy Speaker, Sir, I want to mention something about the East African Community. We are doing a lot of work for this region. The signing of the East African Community Treaty and the coming of the Customs Union has brought a lot of benefits for the people of East African. Kenya has gained quite considerably through trading with our neighbours. Our neighbours have also gained through the Customs Union. With the commencement of the Customs Union last year, there has been tremendous increase in volumes of trade among the three countries. That translated into improvement of quality of lives for a number of people in this country.

Mr. Temporary Deputy Speaker, Sir, some hon. Members have said that the Customs Union cannot be successful. However, I want to assure the House that, in spite of some few implementation problems, we are moving very smoothly. We are negotiating in some areas where there are non-tariff barriers. We believe that, before the end of August, some of the non-tariff barriers will be sorted out between the three countries. I want to assure the House that those negotiations are very friendly. I see a future for the East African Community. We are moving on very well. Every country is benefiting from the integration process.

Mr. Temporary Deputy Speaker, Sir, we have talked so much about problems affecting the youth. We cannot say that the youth will get gainful employment if the economy does not improve. The fact that the economy has improved for the last three years means that majority of our people will get some form of employment. In this Budget, some funds have been set aside to improve the lives of the youth. We should all commend the Minister for assisting the youth. The youth are expecting us to assist them. They are the majority. I know that everybody in this House is thinking of ways and means to assist the youth. If we do not take care of the youth properly, it will be very

difficult for us during the elections. We need to set up youth programmes, so that they could even be more supportive.

Mr. Temporary Deputy Speaker, Sir, before I finish, I want to mention a few things about health. We all know that the Budget has provided some more money for the productive sectors of the economy. The Ministry of Roads and Public Works, for the first time, is getting more money. The Ministry of Health is getting more money. The Ministry of Water and Irrigation is also getting more money. I believe that those investments will go a long way to improve our infrastructure. Even the railway network has been concessioned. Congestion, even at our port in Mombasa, is going to be a thing of the past. With efficiency, we will be able to create more employment opportunities for the young people. The Ministry of Health should make sure that we have staff and the necessary drugs in the health facilities that have been constructed using the CDF.

Mr. Temporary Deputy Speaker, Sir, a lot has been said about water. As I said earlier, the Government is already drilling boreholes and dams in the dry areas of this country. My constituency is among the most dry areas in this country, which have benefitted from the construction of dams. I would like the Minister for Water and Irrigation to enhance the construction of dams. If we can get new machines which can be used by the farmers, this will go a long way towards ensuring that we have sufficient water for our people. We used to have a Soil Conservation Unit, which used to have bulldozers and quite a good number of heavy equipment. If new machines could be bought, they could be used by the farmers in the construction of dams. This would help them to conserve water.

I want to commend the Minister for the good job that he has done and the Government for the tremendous job that it has done to improve the economy of this country. We should appreciate that fact. We should not give a litany of woes which are not there.

With these few remarks, I beg to support.

Mr. Bett: Mr. Temporary Deputy Speaker, Sir, the growth rate of 5.8 per cent is sweet music to our ears, but it is subjective. When I was at the university, there was a subject known as the Quantitative Methods and I know that the Minister for Finance did the same course. We need to subject that growth rate factor to serious quantitative analysis because it is refusing to fly, to stick and to be seen. It is not a fact because members of the public are not feeling it. The poor person is not feeling that growth. We need to ask ourselves why we are saying that there is a growth rate of 5.8 per cent and members of the public are still saying that there is no money in circulation?

That aside, I want to thank the Minister for presenting this year's Budget. Indeed, my heart is bleeding for the farmer and the poor Kenyan, because I represent farmers in this House in the Committee of Agriculture, Lands and Natural Resources. Agriculture is a major source of employment, food and raw materials for the agri-business. If we do not invest in agriculture, then the Budget is of no value to anybody because we are killing the source of our raw materials.

My colleague, hon. Ochilo-Ayacko, has spoken so eloquently about the sugar sector. Indeed, the current Sugar Development Levy is a serious punishment to the farmer. It is opening gates for the importation of sugar that will turn out to be extremely cheap compared to our local sugar. I would like to plead with the Minister to reconsider the issue of the Sugar Development Levy, so that it does not open gates for the importation of sugar to the benefit of a few individuals and destroy the sugar sector. The levy will destroy the farmer. I do not want to belabour the point because hon. Ochilo-Ayacko has comprehensively stated the woes that the sugar-cane farmers are going through.

Mr. Temporary Deputy Speaker, Sir, livestock is another crucial sector which requires money. An additional Kshs200 million has been allocated to the sector compared to what was allocated last year. We have just come from drought which has devastated our livestock sector. We have now opened the Kenya Meat Commission (KMC) and we need to ask ourselves where we

will get animals to slaughter at the KMC. Have we taken a census of our animals? How many animals are there and where are they? What support are we giving to the beef farmers? What extension services are we putting in place, so that the farmers can increase their livestock production for the purposes of supplying animals to the KMC?

Mr. Temporary Deputy Speaker, Sir, we need to have policy Papers on the beef sector and on the dairy sector. The Minister has promised to bring these Papers to the House, but he has not done that. I want to plead with the Minister that it is, indeed, crucial for the Papers to be brought for the House to look at them and pass them, so that the management of the sector is structured and organised, so that we may, indeed, realise what we are looking for as a nation.

The KMC will require 7,000 head of cattle everyday. Do we have that number of animals? We have heard from another speaker this afternoon that we have lost more than 70 per cent of our livestock due to drought. Where will we get the animals? Are we going to import them from Somalia or Ethiopia? As we celebrate the re-opening of the KMC, which I am also doing as a Kenyan, we should ask ourselves whether we have enough animals to supply to the factory.

The co-operative sector has been given an additional Kshs50 million from what it was given last year. This is the sector that supports the activities of the farmers. The law that governs the co-operative sector is obsolete. It is already too tired and requires to be energised. It requires to be amended. The Minister has promised this House to bring amendments to the Co-operative Act to introduce a SACCO Bill, but he has not done that.

(Loud consultations)

The Temporary Deputy Speaker (Mr. Khamasi): Order, hon. Members! We are in business here!

Mr. Bett: Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me.

Members of co-operative societies are having a lot of problems. If we are going to rely on the SACCOs to beef up our Budget, then we need to introduce the relevant legislation to control and manage the SACCOs in this country. Otherwise, our farmers, who are members, will be demoralised and yet we expect them to contribute to the growth of our economy.

Mr. Temporary Deputy Speaker, Sir, the Kshs900 million which has been given to the farmers is being taken away through the fuel price increases. Diesel and kerosene, for example, are used by our farmers. This is going to affect the welfare of our people and yet we are saying that we have done a lot of improvement in this year's Budget.

I would like to touch on the issue of the wildlife. During the drought, there was a lot of conflict between the wildlife and the domestic animals. The Ministry of Tourism and Wildlife was not providing food for the wild animals. The Government was providing food for human beings and human beings were being attacked by the wild animals which were coming out from the forests to look for food. The Government should consider providing food to the wild animals, so that tourism can prosper in this country. Otherwise, our wild animals will die and we will have no tourists coming to this country because there will be nothing for them to see. I would like to plead with the Minister to look into this issue seriously because if he does not do so, the tourism sector will collapse. Wild animals will feed on our livestock and human beings and compensation under the Wildlife Act is so little that it cannot help anyone.

Mr. Temporary Deputy Speaker, Sir, with regard to education, I appreciate the fact that we have the free primary education. That is laudable. However, this is pushing more children into secondary schools and there is no space there. We need to construct more secondary school facilities. Yesterday the President said that the Government is looking into that issue, and I thank him for that. This will take a long time to happen. Universities will also be congested with

students. That is why our children are going to universities in Uganda and they face situations whereby they are chased out of Uganda for no fault of their own.

We need to plan forward so that as we provide free primary education, we also provide facilities in secondary schools. We must also provide more universities. Yes, the hon. John Koech has said that we have to be patient. I agree with him but we are not controlling the population growth rate. This Budget does not touch at all on population control. Our population growth rate is at a runaway stage. Everybody stresses on other things but nobody is looking at the population growth rate of this country. While the population growth rate is increasing, the Minister has issued tax waivers on napkins, diapers and feeding bottles. What does that mean? That simply means that Kenyans are being encouraged to produce more children because the diapers, feeding bottles and napkins are going to be cheap. Let us address the problem of the high population growth rate as opposed to telling the country that taxes on napkins, diapers and feeding bottles will be waived. To me, that looks like an abuse to development and an insult to a forward looking situation for any leader.

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Minister for Water and Irrigation (Mr. Katuku): Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to make my contribution on the Budget. I would want to join my colleagues in congratulating the Minister for Finance for a well done presentation and a well thought out Budget. I am happy that he took over that Ministry where I was for three years as an Assistant Minister and improved on what he found.

Mr. Temporary Deputy Speaker, Sir, besides that, I was very impressed with a few aspects of the Budget. Before I get to those issues, Kenyans have really made a sacrifice to ensure that the economic growth rate is 5.8 per cent and that means they have heeded the call by His Excellency the President to make Kenya a working nation. That has been due to efforts by every Kenyan. However, there are some of our people who are really complaining. I have also heard hon. Members of Parliament complain here that despite there being an economic growth rate of 5.8 per cent it is not being felt at some levels. I would want to challenge those who are waiting for economic growth to improve while seated in their homes that it will never improve if they do not work.

Mr. Temporary Deputy Speaker, Sir, any Kenyan who is working will see the improvement. Any Kenyan who is out there should ensure that he works for something or improves his economic status. He should put his mind and strength towards his economic improvement. The Government is there to facilitate. The Government is an institution which is supposed to facilitate Kenyans to do their business, but there are people who are used to the previous system where they were given hand-outs and those are the fellows who are complaining in the towns. Farmers who are busy cultivating their crops or ploughing their farms to plant crops or who are engaging in other productive activities are enjoying the fruits of this Government. However, people who used to be brokers here in town, people who just sit in the offices waiting for somebody to process a title deed and conspire with a few characters to steal funds and then at the end of the day they are given Kshs2,000 to Kshs3,000, those are the fellows who are suffering and they had better change their ways. This Government is really focused on facilitating Kenyans to ensure that they can engage in economic activities. So, people who are used to hand-outs had better change their ways.

Mr. Temporary Deputy Speaker, Sir, every Kenyan must ask himself: "What am I doing to improve my economic status?" Even if one is doing causal work and earning maybe Kshs3,000, you must have a culture of saving. You must save part of what you are earning to be able to invest. Even if you buy one hen or goat, that is an investment. Even if you are saving Kshs300, that is about ten per cent of what you are earning. You will be able to enjoy the same saving when you

invest it and the multiplier effect takes off. So, those people who do not want to save or work will never see any improvements in terms of their economic growth. That is the reality.

Mr. Temporary Deputy Speaker, Sir, let me now touch on an area which I was very impressed on in the Budget that was presented here; cutting costs on Government expenditure as it relates to transport. I am sure that most of my colleagues and others may not agree with me on this but I want to agree with the Minister for Finance that we are spending a lot of money on transport. There are people who have now specialised in fleecing the Government of billions of shillings through fake repairs of Government vehicles. If you take your car for service to a company out there you will pay about Kshs10,000 to Kshs20,000 at most, but when a Government vehicle is taken for service you will find a bill of Kshs120,000 and yet it is the same service. That is fleecing the Government and that is why I am saying that by minimising these cars, the Government will also minimise waste. I want to urge the Minister to effect these measures. People may not be comfortable with that but we must cut down on waste in terms of Government spending. We are not there to please anybody but we must be precise in our way of spending. We must be thorough in ensuring that taxpayers' money is spent properly.

Mr. Temporary Deputy Speaker, Sir, another area which I was very impressed with is where the Minister gave areas which were left behind in water development, Kshs1.5 billion in order to catch up with the others. I, being from such an area and also being the Minister for Water and Irrigation, I want to thank the Minister for including that allocation in his Budget. I also want to assure him, Members of Parliament and Kenyans at large that my Ministry will spend the money to ensure we have water in these ASAL districts where water has been a problem. People have been walking 20 to 30 kilometres looking for water. It is my intention and that of the Government to reduce that time wasted in looking for water so that people can concentrate on economic activities which will also contribute to economic growth.

So, we will spend the Kshs1.5 billion wisely to ensure pastoralists out there do not walk many kilometres looking for water for their animals. We will also sink boreholes and build dams and pans to ensure water is available for livestock and also provide clean water for domestic use for those Kenyans who are living in ASAL regions. That is not to say that we are not taking care of other regions which are not within that category. I want to ensure that we get more money to carry out irrigation work so that we can engage our people. We want to build more dams in areas where we used to have floods in order to control them and be able to use the water for irrigation.

Since NARC took over, we have revived several irrigation schemes and we have seen the fruits. If you go to Ahero and other schemes which we have revived, so many Kenyans are now working and we want to ensure that trend continues.

Mr. Temporary Deputy Speaker, Sir, turning to the youth, the Minister made an allocation of Kshs1 billion to assist the youth. That money, in my view, is not even adequate. When we get better returns, we may need to look at how we can avail that sector more money so that we can engage our youth. My Ministry will also need more money. Could the Minister for Finance please set aside about Kshs3 billion for disaster management? I want to pray to God that we do not have any disaster in terms of drought. I am sure the Minister for Finance will consider this request. Once we get to a situation where we do not have drought, that money can be given to the Ministry of Water and Irrigation. I am sure when we enable Kenyans to use this money through irrigation schemes and providing them with water, there will be better results. We might not need to allocate money to the Prisons Department because there will be no offenders. We will also not need to set aside money for security because there will be nobody breaking the law.

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

Mr. Koros: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the poor man's Budget. Since the NARC Government took over the

leadership of this country, Kenyans have experienced many problems. The common man has really suffered for a long time.

In his Budget Speech, the Minister for Finance raised the cost of petrol by Kshs3.20. This means the Government is directly taxing the common man. Where will the common man get the extra money to pay for that increase of the cost of petrol? It was meaningless for the Government to waive road licence and, at the same time, to increase fuel prices. Road licence is only paid once a year, but motorists have to fuel their vehicles almost on a daily basis.

Mr. Temporary Deputy Speaker, Sir, zero-rating of duty on wheat will harm our local market as well as our farmers. The Government seems to be favouring some regions of this country. We all know that plenty of wheat is grown in the Rift Valley Province. There is no wheat grown in Central and Eastern provinces. So, the Government is trying to punish the people of Rift Valley Province.

Mr. Temporary Deputy Speaker, Sir, last year, a Motion allowing for bursaries and loans to be given to middle level colleges was passed here. However, I am surprised that the Minister did not factor it in his Budget.

This country has experienced many disasters. Recently, we had the worst drought to have ever hit this country.

Kenyans are suffering simply because this Government is not sincere. The Government says one thing today and another thing tomorrow. The President promised Kenyans to improve the economy of this country, if he were elected. In fact, he has tried to do so despite many problems that have bedeviled his Government. However, does the economy grow by "importing" the *mamluki* to come and bully Kenyans? The Government needs to tell us why those Armenians came to this country. The Government must come out clean on this issue.

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker. I do not want to interrupt my friend, but he has made a serious allegation that the Government "imported" some Armenians. We all know that the Government has set up a commission of inquiry to investigate who these people really are. Is he in order to mislead this House deliberately?

Mr. Koros: Mr. Temporary Deputy Speaker, Sir, Mr. Katuku is wasting my time. If the Armenians were not "imported", why were they deported from this country without proper trial? Why were they not charged if the Government did not know who they are? We understand the Government will possess the cars of these two gentlemen, but I wonder, who took over their fierce dogs? Where did the dogs disappear to? Did the people who "imported" these Armenians take over their dogs?

The Minister for Water and Irrigation (Mr. Katuku): But, what is the hon. Member saying?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Katuku! You are not allowed to talk to the Chair when you are seated. If you have got any issue stand up and bring it to the attention of the Chair!

The Minister for Water and Irrigation (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir. I raised a point of order and I wonder whether the Chair is satisfied with the hon. Member repeating the same allegation that the Government "imported" the Armenians. Could the hon. Member substantiate his allegation? If the Chair is satisfied, please, tell us?

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Koros, could you come to the brink of your point of order? You said the Government "imported" some people called *mamluki*. Have you any evidence to that effect?

Mr. Koros: Mr. Temporary Deputy Speaker, Sir, we have heard of some people referred to

as *mamluki* in this country and we have seen them. I have said, if the Government is not involved in this matter, why were these Armenians deported without proper trial?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Koros! I have always advised the likes of you that if you get into a situation like that, unless you have proper evidence, the simpler way to come out of it is to say you do not have the evidence and withdraw your remarks.

Mr. Koros: Mr. Temporary Deputy Speaker, Sir, I do not have the evidence now, but I hope that by Tuesday, next week, I will have enough evidence to substantiate my allegation.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Koros! You know the rules, you have been here for the fourth year. Do not advise the Chair as to how you will deal with your issues next week.

Mr. Koros: Mr. Temporary Deputy Speaker, Sir, I withdraw.

There are people from certain areas who have been displaced---

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. In the House, if an hon. Member withdraws some remarks, there must be a proper apology. Could the hon. Member give a proper apology?

Mr. Koros: Mr. Temporary Deputy Speaker, Sir, I beg to withdraw and apologise.

We have had some people being displaced from their homes with the Government claiming that they were occupying forest land. These people have been living on that land for the last 50 years. There are people from Kipkurerei and Marakwet who were recently evicted from their homes. Where will they be resettled? Why are these evictions happening in Rift Valley Province and not in other areas of this country? Why are people occupying controversial land in other regions not being evicted?

The Government is claiming that the economy has grown from 1.2 per cent to 5.8 per cent. However, the inflation rate has gone up from 1.2 per cent to 13 per cent. Is the economy really growing or deteriorating?

I thank the Minister for setting aside funds for the Youth Fund. That is a plus for the Government. However, this money should be distributed equally in all the constituencies.

Mr. Temporary Deputy Speaker, Sir, yesterday the Kenya Meat Commission (KMC) was re-opened. That is also a plus for this Government. I would like to congratulate the Government for reviving the KMC. I would like to request it to revive all other stalled industries in this country.

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

Mr. Muiruri: Mr. Temporary Deputy Speaker, Sir, I stand to support the Budget. This is the first time the Budget has catered for the youths in this country. The youths are the majority in this country. They are the worst hit by the poverty level in Kenya. We only need to go to the countryside and witness for ourselves how the youth live. If you visit market places on Saturdays and Sundays, you will find about 3,000 youths passing time. When they go home, most of them sleep in one house with their parents. They do not own houses. I believe the Kshs1 billion which has been allocated for the Youth Enterprise Fund will go a long way to assist the youth to establish themselves. This money must be managed in such a manner that is going to benefit the youth. The Minister should come up with some rules on how the Fund should be administered. It is important if this money was managed by a parastatal with professionals, who can manage the money to ensure that it generates profit and create a revolving fund. This will ensure that as many people as possible benefit from that Fund.

While I support the Budget, and especially the removal of the road licence, I must admit that I did not buy any road licence for the last three years. I, therefore, benefitted from this Budget. That is the truth!

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Muiruri, did you not break the law?

(Laughter)

Mr. Muiruri: *Nilisahau!*

The Temporary Deputy Speaker (Mr. Khamasi): Proceed, Mr. Muiruri!

Mr. Muiruri: Mr. Temporary Deputy Speaker, Sir, although the Minister said that he did not expect the transport costs to go up, it is automatic that they would go up. It is not practicable for him to say that he did not expect *matatu* fares and transport prices to go up. He was wrong! That has been quoted in all the media that he told this House that he did not expect that to happen. We all knew that these prices would go up.

Mr. Temporary Deputy Speaker, Sir, I would like to speak about the coffee industry. Coffee has been dwindling in production and marketing. At one time, Kenya coffee was referred to as the Kenyan gold. However, as we went on, because of the many evils of its marketing system through the Coffee Board of Kenya (CBK), the production and prices have been going down tremendously. I am very pleased with the Minister for Finance for setting up a Coffee Development Fund. I also believe that he will allocate enough money to that Fund so that we could pump a lot of money into coffee production because it is not there. The production of coffee shot down from 140,000 tonnes to about 50,000 tonnes at present. Most of that coffee is being smuggled outside the country.

I am saying this because the Minister for Finance came up with rules to govern the coffee industry. We passed a Bill on the marketing of coffee that totally liberalised the coffee industry. However, the Minister for Agriculture has failed to gazette the marketing rules of coffee, thus allowing a lot of smuggling of coffee outside the country. The amount of coffee that goes to the central auction is just about half of the production. The rest is being smuggled out in crates purportedly as beans or macadamia nuts. The Government is losing a lot of revenue because of this practice. I would, therefore, urge the Minister for Agriculture to gazette the marketing rules as quickly as possible. This will help our country to get more revenue from coffee proceeds.

Mr. Temporary Deputy Speaker, Sir, I am saying this because as a coffee farmer, I know for sure that the country has been waiting for many years for the coffee farmer to market his own coffee or appoint a person to do it on his behalf, unlike the present situation where the marketing of coffee is purely with four marketing agents; namely, the Kenya Planters Co-operative Union (KPCU), Socfinaf, Thika Coffee Mills and Gatatha. In the process, they are also involved with milling. Therefore, they benefit from milling and marketing of coffee. If you own a coffee estate, you must have a say as to who is going to market your coffee or be given the opportunity to market it yourself. That has been a very serious problem affecting the coffee industry in this country. It has not been fully liberalised. A farmer would like to get his own buyer from Germany, Britain, USA or wherever, and negotiate the price with him. There are rules which govern the export of commodities. That way the Government and the farmer will benefit. That is what is lacking at the moment. The sooner the Minister for Agriculture gazettes these rules to liberalise the coffee industry, the better.

Mr. Temporary Deputy Speaker, Sir, the other issue is about the KPCU. This is the only organisation that is fully owned by coffee farmers. However, the industry is so much indebted to about Kshs3.5 billion. As we speak, the KPCU cheques are bouncing at the banks. It cannot sustain itself any longer. The reason behind this is that some of these debts that KPCU has incurred were not debts like the one you incur from commercial banks. These debts were for advances. Somebody got some crop advances because he expected the coffee market to do better, and then the KPCU would deduct that advance payment. However, that did not happen. In the process, out of the 50 debtors who owe KPCU about Kshs3 billion, 26 of them are dead. This money is, therefore, not recoverable. It is high time the Minister for Co-operative Development and Marketing or the Minister for Finance looked at the debts incurred by KPCU. These debts are not recoverable at all. The only way out of this is to write them off. The Cabinet must agree to make a

Sessional Paper to write off these debts just like it did with the debts owed to the Co-operative Bank. There is a further Kshs2 billion owed by the Kenya Farmers Association (KFA). I do not see why they cannot write-off debts that were similarly incurred by the KPCU. It would be a catastrophe if the KPCU collapses. It is likely to collapse any time from now.

Mr. Temporary Deputy Speaker, Sir, the Minister's Budget touched on very good things. It also touched on the taxation of allowances for hon. Members. However, the Minister should have realised that he cannot tax allowances for hon. Members without touching other institutions. There are no rules for a particular group of people. Possibly, that was a political gimmick. I do not know why he came up with such a proposal. It cannot work! If he is going to tax my allowances, then he should tax all the allowances of everybody else in this country. The law cannot be applied selectively.

Mr. Temporary Deputy Speaker, Sir, I was in Great Britain the other day and I noted that churches in England pay taxes. I do not know why churches in Kenya do not pay taxes. If you go to Uhuru Park on Sunday, you will find 50,000 people with a preacher. You will see dance maniacs dancing and singing there. They make a lot of money from worshippers. Why do they not pay taxes? I noted that in England, every member registered as a parishioner pays 28 pence per pound.

With those few remarks, I beg to support.

Mr. Syongo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make a few comments on this fairly innovative and bold Budget Speech. The boldness is seen in the steps the Minister took to get rid of the road licensing requirement, and replace it with a more efficient and more revenue-generating charge on fuel levy. He also boldly decided not to factor into the Budget donor funding for purposes of financing both recurrent and development expenditure. He very clearly moved towards self-financing. This should have been done much earlier.

I want to appeal to my colleagues, and all Kenyans in general, that we should support these measures that will make us independent of donors. Even if donor funds come, they should be a bonus and not necessarily a prerequisite to our operations.

Mr. Temporary Deputy Speaker, Sir, it is also important for us to support measures aimed at increasing our revenue collection such as the introduction of Electronic Tax Registers. We should broaden the tax base of this country by bringing into the tax paying group as many people as possible. This will, indeed, make it quite easy for individual tax load to be reduced. The amount of tax paid by an individual should be reduced if we broaden the tax bracket.

This was truly an accountant's Budget. The Minister clearly cleaned up the revenue collection system. He also cleaned up the cost control side and I want to commend him for that. At the end of the day, I can see the opportunity to maximise revenue collection and minimise wastage through cost control that now exists. However, it is very important for the Minister to be very cautious. Hon. Members of this House should also open their minds and eyes. In the process of effecting cost control measures, we could have a situation where Government departments will be unable to deliver services. Operations and Maintenance (O&M) costs must claim a certain percentage of the total Government Budget.

Without adequate provision for Operations and Maintenance, we will have a situation where we pay for personnel who will have no equipment with which to deliver services.

*(The Temporary Deputy Speaker
(Mr. Khamasi) left the Chair)*

(The Temporary Deputy Speaker (Mr. M'Mukindia) took the Chair)

In future, it will be necessary for the Minister to table expenditures, Ministry by Ministry. He should indicate the ratio of Operations and Maintenance costs to Personal Emoluments, so that we can clearly see whether we are going to have service delivery or not.

Mr. Temporary Deputy Speaker, Sir, one particular measure announced by the Minister is the reduction in the number of Government motor vehicles in the Ministries. This measure will incapacitate extension officers who are supposed to deliver services. This is going to be counter-productive. The Minister must, therefore, be very careful and must evaluate the impact of this measure. He should do this by putting in place effective monitoring measures in each Ministry and Department, so that delivery of services is not impaired.

There was also a deliberate attempt to have sector-specific interventions, either in terms of the tax regime or fiscal policies in order to sustain the momentum of economic recovery for particular sectors, and generate more employment opportunities. But looking at the proposal, I am concerned that there is an element of some mix-up. For instance, it does not come out very clearly for any given sector that the measures the Minister took will actually---

(Loud consultations)

Mr. Temporary Deputy Speaker, Sir, could you protect me from the loud consultations going on in the House?

The Temporary Deputy Speaker (Mr. M'Mukindia): Order, hon. Members! Could you, please, consult quietly?

Mr. Syongo: Thank you, Mr. Temporary Deputy Speaker, Sir. There is no clear action taken by the Minister that shows that he looked at the entire supply chain of each sector to ensure that the intervention he made will achieve the required objectives. For instance, the measure he took to zero-rate wheat flour is going to affect our wheat farmers. It is also going to affect our wheat millers.

At this time, when we are operating within the COMESA and the East African Community, Kenyan millers are extending their milling capacity into the wider region, yet, we are opening a window for imported wheat flour to attack them and reduce their capacity to expand into the region. This is wrong.

In the sugar sector, we have a limited time frame in which we can sort out inefficiencies. The Minister should have put in place incentives for co-generation of power by burning the bagasse. This power would have added to what is in our national grid. No such measure was taken by the Minister. He should have given incentives to encourage production of ethanol by conversion of molasses. This could reduce the amount of money we spend on imported petroleum products. He should have put in place specific measures to encourage production of organic manure using filter cakes, which we produce in huge quantities. We have mountains of this material at every sugar mill. In that way we could export organic farm produce, which has four times the value of ordinary agricultural produce. In terms of improving the sugar sector, the Minister employed a half-hearted measure. If anything, its impact will be negative.

In the agricultural sector, many years ago we agreed that in order to encourage the agricultural sector we would zero-rate agricultural inputs like fertilizers, seeds and machinery. I am happy that the Minister zero-rated tractor tyres. He should have extended this measure to tractor spare parts but he never did that. The fisheries sector produces Kshs8 billion worth of exports from Lake Victoria alone. Uganda and Tanzania have zero-rated out-board and inboard engines used by their fishermen. He should have followed suit. This is something that was done by Uganda and Tanzania three years ago. He has not zero-rated fishing equipment. I am happy that, nevertheless, the Minister has agreed that we are going to make specific amendments on the Floor of the House

to zero-rate fishing equipment.

Mr. Temporary Deputy Speaker, Sir, I want to talk about value addition. It is very important to encourage investment in value addition so that we can export processed products. Countries like Pakistan

and Sudan are demanding that we pre-pack our tea before we export it. That is a great opportunity for us. Value addition requires substantial investment. The Minister ought to have provided incentives for Kenya Tea Packers (KETEPA) to pre-pack and export packed tea to Sudan and Pakistan. He never did that again. That means that we are going to continue exporting bulk tea.

If you look at coffee, fruits, pulses and semi precious stones, you will realise that there is great opportunity for us to go into value addition only that it requires fiscal policies that will create incentives for investors to go into this business and activate those opportunities.

I want to commend the Minister for making some token initiative to identify the youth as an investment group. I, however, want to urge the Minister to do more. There is need to consider tax relief for youth enterprises. The equipment they use for woodwork or metalwork such as welding machines should benefit from tax relief. Along with that, we should create incentives for investors to invest in appropriate business premises for the youth. There are so many small enterprises which are dominated by the youth.

Mr. Temporary Deputy Speaker, Sir, I think the Minister should have looked at the banking institutions and their rules in order to create an enabling environment for the youth enterprises that he has already initiated.

With those few remarks, I beg to support.

The Assistant Minister for Tourism and Wildlife (Mr. Ndile): Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa hii nafasi ili nami nichangie hotuba ya Bajeti.

Kwanza kabisa ningependa kumshukuru Waziri wa Fedha kwa kutengeneza Bajeti ambayo ni ya kihistoria hapa Kenya. Hii ni kwa sababu haijajumlisha pesa kutoka ng'ambo.

QUORUM

Mr. Wamunyinyi: Jambo la nidhamu, Bw. Naibu Spika wa Muda. Hoja tunayojadili leo humu Bungeni ni muhimu sana kwa sababu inahusiana na makadirio. Kwa hivyo, haifai sisi kuendelea kujadili Hoja hii ilhali hakuna Wabunge wa kutosha humu Bungeni. Ukiangalia vizuri utaona kwamba idadi ya Wabunge humu ndani ni wachache sana.

The Temporary Deputy Speaker (Mr. M'Mukindia): It is true that we do not have a quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. M'Mukindia): We have a quorum now. You may proceed, Mr. Ndile.

The Assistant Minister for Tourism and Wildlife (Mr. Ndile): Nashukuru, Bw. Naibu Spika wa Muda. Nilikuwa nimesema hapo awali kwamba hii Bajeti imetengenezwa bila kutegemea akina "Smith" na "Hempstone". Hii Bajeti ni yetu kwa sababu inategemea Wakenya wenyewe. Hilo ni jambo la kujivunia kama Wakenya.

Ukizuru kule mashinani, utasikia watu wakisema kwamba hii Bajeti ni ya vijana. Wamesahaulika kwa siku nyingi sana lakini kwa wakati huu wamekumbukwa. Hilo ni jambo la kujivunia pia.

Bw. Naibu Spika wa Muda, zile sehemu zenye ukame nchini zimepatiwa pesa. Nadhani tukiendelea hivyo kama Serikali tutafika mbali. Nafikiri Serikali ilikuwa haipigi hatua mbele ule

wakati watu walikuwa wakigombana. Hilo tatizo limesuluhishwa na sasa waliokuwa na ugomvi wameenda upande ule mwingine wa Bunge hili. Saa hizi nasikia wanaitisha viti vya kuwakilisha Bunge hili katika Bunge la Afrika. Sijui wameenda kutafuta pesa wapi.

Jambo jingine ambalo najivunia nikiwa "mwenyeketi" wa maskwota Kenya ni kugundua kwamba Serikali hii inawafikiria maskwota. Imetenga Kshs400 milioni ambazo zitatumika kuendesha shughuli za kuwapa maskwota makao. Hilo vile vile ni jambo la kufurahia.

Serikali hii ilianza kwa kuangalia mambo ya elimu nchini. Imejaribu sana kwa sababu kuna watoto wetu ambao awali

hawakuwa wakienda shule lakini sasa wanasoma. Ni matumaini yangu kuwa Serikali ikifikiria zaidi, kuna uwezekano wa kuwa na masomo ya bure katika shule za upili. Katika nchi nyingine, ni wajibu wa Serikali kuangalia masomo ya watu wake. Mtoto wangu akisoma kiasi cha kuwa daktari, hatanitibu mimi peke yangu ama watoto wake tu. Yeye atakuwa na jukumu la kuwatibu Wakenya wote. Ninapendekeza kwamba Serikali ichunguze uwezekano wa kusimamia elimu katika shule za upili. Hawa ni watoto wa Kenya na jambo hilo linawezekana.

Humu Bungeni kuna watu ambao walikuwa wakisema kuwa haiwezekani kutekeleza ile sera ya elimu ya bure. Nafikiri ni kwa sababu wao wenyewe wakisoma walikuwa wakichukuliwa na basi makwao na kupelekwa shuleni. Nafikiri hizo ndizo zilikuwa fikira zao. Hawakujua kwamba kuna watoto ambao hutoka kwa boma ya mzazi wake kwa miguu kwenda shule na kurudi vile vile. Ndiyo maana nasema kwa sababu hawa wanaoenda kwa miguu ndio wengi, elimu ya bure katika shule za upili inaweza kusimamiwa na Serikali.

Ijapokuwa ninaishukuru Serikali kwa kuzitengea fedha sehemu kame humu nchini, nadhani huko Ukambani hatukuangaliwa vizuri. Ningependa kuiuliza Serikali izidi kutafuta pesa. Sehemu ya Ukambani inaweza kulisha nchi nzima ikiwa maji yatapatikana ya kutosha. Ninazungumza juu ya Wilaya ya Makueni. Ingefaa Serikali kuinunulia wilaya hii vifaa vya kuchimba visima vya maji kuliko kuwaahidi watu wetu miaka nenda, miaka rudi kuwa watachimbwa visima. Idadi ya watu wetu inazidi kuongezeka. Kwa hivyo ni lazima Serikali ihakikishe kwamba miradi ya maji Ukambani imeimarika.

Bw. Naibu Spika wa Muda, naishukuru Serikali kwa kutenga Kshs3 bilioni zitakazotumika kwa mambo ya dharura kama vile ukame, njaa na kadhalika. Natumai pesa hizo zitaanza kutumika mara moja. Sio lazima Serikali ingojee wakati watu wameumia ndipo iangalie masilahi yao. Ni lazima itumie pesa kwa wakati ufaao ili kuepukana na janga lote. Hatutaki kusoma magazetini kwamba kuna watu ambao wamefariki kutokana na njaa. Ningeiomba Serikali hii iwe na uangalifu zaidi ili tuelekane na maafa.

Pia ningependa kuwasihii wenzangu hapa Bungeni kwamba hatufai kuwategemea wafadhili wa kigeni wakati wote. Hata ingawa bei ya mafuta imepanda kwa kiwango fulani, ni vizuri kuvumilia na kuanza kusimamia masilahi yetu wenyewe. Nchi za kigeni ambazo tunazitegemea zilianza kujiimarisha kiuchumi zamani. Kwa vile sisi tunapenda vitu vya rahisi, wafadhili wetu wana tabia ya kutupa masharti kila wakati. Ni lazima tukumbuke kuwa ni wao waliokuja na kunyakuwa mashamba yetu. Mfano mzuri ni majani chai. Kenya inakuza majani chai nambari moja duniani. Hata hivyo, nchi za kigeni zinatupa masharti tunapotaka kuuza majani yetu. Hii ni kwa sababu wana uwezo mkubwa na ndio mara kwa mara, majani chai yetu yanauzwa kwa bei ya chini sana.

Kwa hivyo, waheshimiwa Wabunge ndio watakaoiokoa Kenya kutoka kwa minyororo ya wafadhili wetu. Tumeanza vizuri kwa kutozingatia pesa za wafadhili wa kigeni katika Bajeti yetu. Tunafaa kuongea juu ya maendeleo wala sio siasa duni. Hivi sasa wengi wetu tunaongea juu ya mamluki na kusahau mambo ya maendeleo. Kwa mfano, kiwanda cha Kenya Meat Commission (KMC) kilifunguliwa jana. Sijasikia Wakenya wengi wakiisifu hatua hii ya Serikali. Watu wengi wanaongea tu juu ya mamluki. Tunafahamu kuwa Serikali imeteua Tume itakayoangalia jambo hilo. Tunafaa kuiachia Tume hiyo ichunguze mambo hayo na tujitenge na maneno matupu. Maskwota watafaidikaje kutokana na mamluki? Kiwanda cha KMC kilikuwa kimefungwa kwa

miaka mingi. Ni furaha kuwa kimefunguliwa na Serikali. Kwa hivyo, Wakenya wanafaa kuisoma Bajeti hii kwa umakini.

Mwisho ningependa kusema kwamba ufishadi umepungua kwa kiasi kikubwa Serikalini. Ufishadi ulikita mzizi sana wakati wa utawala wa KANU. Tunafaa kuupiga vita ili tuuangamize kabisa. Tukifanya

hivyo, nchi yetu itaendelea na watu wetu watakuwa na maisha mazuri.

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

Mr. Rotino: Thank you, very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to join my colleagues in supporting this very important Motion on the Budget.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance this time did a good job. At least, he presented a reasonable Budget. It is a Budget that could be emulated by other East African countries. But there are a few things here and there that need to be looked at and addressed.

From the onset, I want to remind the House that I come from a semi-arid constituency. The rains have not been enough this year. Even last year, we sounded an alarm that there is looming famine in the area. Even the crops that people planted this year have not germinated. The Government should be prepared for famine next year since the crops have failed due to lack of enough rain.

Mr. Temporary Deputy Speaker, Sir, if you look at the economies of the East Asian countries that we got independence at the same time with in the early 1960s, their GDPs are ten times ours. We are still stagnating. The main reason we have lagged behind is due to poor planning. When we do not concentrate in creating an enabling environment for our private entrepreneurs, we cannot grow. For as long as our economy remains agrarian based, we cannot grow as fast as we are supposed to. We must develop our industrial economy so as to add value to our crops. As much as we say we are an agriculture-based economy, and as much as we depend on agriculture, we must develop our industrial economy. Our crops must be added value so that our people do not export raw mangoes as they are and other fruits. Yet, these are issues the Minister never mentioned how we are going to develop our agricultural sector by adding value to our agricultural products.

Mr. Temporary Deputy Speaker, Sir, Government cannot do any business and that is why we must privatise. The Government must be able to sell its investments. Even if the Minister for Trade and Industry says they will pump money to Uchumi Supermarket Limited. the Government has no business doing business. It should leave that to the private sector. The Government should only create an enabling environment for private businessmen to do business and hence pay taxes to the Government so that from the taxes the Government is able to run its services.

That component was not factored or never came out clearly in the Budget. I feel that without giving favourable environment to private enterprises, the Government will have deficit all the time in financing. It will have to borrow and we are going to support our Budget on borrowed funds for a long time. The Minister for Finance mentioned here that he has not factored donor funds in the Budget. However, the Shadow Minister for Finance said very clearly that, if you look at our Printed Estimates, 75 per cent of our development Budget is pegged on donor funds. We are going to depend on donor funds. That is not very healthy. We should borrow from the local market. We cannot do that if our private sector is not developed. I would like to encourage the Minister to look at that issue seriously and come to this House and tell us how exactly he is going to improve the private sector, if this country is to develop.

Mr. Temporary Deputy Speaker, Sir, before I talk about the private sector development, I want to talk about the road network in this country. My colleagues have talked about the poor state of the road network in this country. Even the former Minister for Roads and Public Works mentioned that the improvement of the road network in this country requires Kshs100 billion, but

this was not factored in the Budget. Some of us who drive to our constituencies almost every weekend, get tired when we think of going to our constituencies because of the poor road network. We are not seeing enough money being factored into the Budget to improve the situation. This must be done if our infrastructure is to be developed.

Mr. Temporary Deputy Speaker, Sir, let me turn to the education sector. If you look at the Order Paper, you would find that every day there is a Question about the shortage of teachers and the infrastructure in schools. The Ministry of Education has been allocated almost 45 per cent of the Budget. Year in, year out, the Government does not employ teachers. They are simply replacing those who have died or retired. The Government should recruit new teachers and not just to replace those who have died or retired. Some of us who come from rural constituencies know that with the Free Primary Education Programme, the enrolment of pupils is increasing yearly, yet the number of teachers is still constant. I do not think that the NARC Government has employed more teachers since they took over in 2003 compared to the ones employed by the previous regime. When the Government employs 7,000 or 8,000 teachers, they are simply replacing those who have left the service through natural attrition! So, what is the essence of the free primary education if they cannot provide quality education?

Mr. Temporary Deputy Speaker, Sir, some of us who border Uganda are privy to the development of education in Uganda. They have very many teachers and we wonder whether we are living in a different continent. There is no shortage of teachers in their schools, and that is why our children opt to learn there. In fact, the fees they pay there is not much compared to what we pay here. We pay a lot here and we do not get the services! So, if this Government wants to improve the quality of education, they should make deliberate efforts to recruit teachers.

Mr. Temporary Deputy Speaker, Sir, I want the Assistant Minister for Education, who is sitting here, to listen to this. The Ministry has stated that the minimum grade for students to qualify to join our teacher training colleges is C and above. If you go to secondary schools in the rural areas where there are no facilities, you will find that only two or three students get B. Most of them get C- and D. So, if we insist that only those students with C and above will qualify to join the teacher training colleges, then the districts in the Arid and Semi-Arid Lands (ASALs) will be disadvantaged. Students from ASAL areas are disadvantaged. For that reason, I would like the Minister for Education to set aside a special quota for school leavers from rural areas, or from certain districts of this country, for admission to colleges.

Where I come from, you will find that school leavers from our neighbouring districts of Trans Nzoia and Uasin Gishu come to our district for college intake interviews. Since they normally have good grades, they get admission to colleges at the expense of local candidates. However, when they graduate from college, they never go to serve in the district from which they were recruited. So, year in, year out, we find ourselves with shortage of teachers. Therefore, I urge the Minister for Education to consider giving youths from my district a special admission quota in the current intake, to enable them get admission in teacher training colleges.

With those few remarks, I beg to support.

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

Mr. Temporary Deputy Speaker, Sir, I am uncomfortable with the Minister's Budget Speech, which seems to have excited many people. Everybody wants to say that it was a good Budget Speech with so many good proposals for the country, and that it is well intentioned. My discomfort over this Budget arises from the fact that implementation of previous Budget proposals has never taken place fully.

I am equally uncomfortable that even this time round, the proposals contained in this Budget Speech may just amount to a public relations exercise. A lot of the proposals contained in

this Budget Speech, if implemented, will have a great positive impact on the lives of Kenyans. Therefore, I want to start by saying that the Government must ensure that the proposals contained in this Financial Statement are fully implemented, to alleviate the various problems facing Kenyans.

Mr. Temporary Deputy Speaker, Sir, the issue that affects about 80 per cent of my voters is the sugar levy which has been removed from consumers and imposed on sugar farmers. Sugar-cane farmers incur many costs, including cess, transport costs, retention charges on farmers' dues, among others. They also pay levy on various farm inputs, including fertilizers. For example, on arrival at the Port of Mombasa, a bag of fertilizer costs about Kshs800, but the farmer pays Kshs200,000 per bag of fertilizer. The price of this vital input increases as payment is delayed until the farmer is paid his dues. All the interest on delayed payment is charged on the farmer.

Therefore, as representatives of sugar-cane farmers in this House, our main concern is taxation. If the Government is serious about solving problems facing sugar-cane farmers in particular, it must remove the taxation it has imposed on them. If you look at the various other sub-sectors, you will realise that things are different. I do not know whether it is because agricultural activities relating to those other sub-sectors mostly take place in other areas. For instance, the coffee sub-sector has been properly restructured. A lot of reforms have taken place in the coffee sub-sector. I am sure that there is no taxation there.

Mr. Temporary Deputy Speaker, Sir, if you look at the tea sub-sector, you will see that there is no taxation applied to it. Tea farmers are not taxed in any way. Therefore, I do not understand why the element of tax is continuously applied to farmers in Western and Nyanza provinces. It is important that action be taken regarding the issue. I appeal to the Minister to bring proposed amendments so that the tax charged on farmers is removed. Apart from taxation, the cost of inputs for cane farming ought to be reduced to ensure that farmers make profits from the crop. The small amount of profit that farmers get, most of it goes to the Government in form of taxes and other charges that are inflicted on the farmer. We need to cut down on costs and the Government should take action to that effect.

We appreciate the reforms in the Ministry of Water and Irrigation, particularly the establishment of companies to run the sector. In some areas; for instance, my area, Nzoia Water Company which is charged with the responsibility of providing water to people in the region is riddled with corruption. The Chairman of Nzoia Water Company has been involved in corrupt practices. He sacked the whole management group of the company and has disconnected water at essential service areas. It is inhuman to terminate the supply of water in a district hospital like the Bungoma District Hospital. I have spoken to the Minister for Water and Irrigation about it and I believe that the management of the company will be disbanded so that people who are sensitive to the needs of Kenyans can be placed there to serve us adequately.

As privatisation goes on, care must be taken to ensure that our state corporations and parastatals do not land into the wrong hands. The law governing privatisation must be strictly followed. If you look at the Mumias Sugar Company, you will see that it is doing very well. The company was privatised, yet farmers in Mumias do not have any stake in it.

I believe that Nzoia Sugar Company will be privatised, but we want some specific and clear percentages to be set aside for farmers, the people who own the land, the nucleus estates and the people of Bungoma. The stakeholders must be given some specific percentage to own. So, a period of time must be allowed to ensure that, that process takes place when all the parties are ready and prepared to participate in the privatisation.

Mr. Temporary Deputy Speaker, Sir, I want to conclude by saying that this country is very important to all of us. As Kenyans, we must work very hard to ensure that we preserve our dignity. The issue of the Armenian brothers, which has been talked about by hon. Members and the public,

has really embarrassed everybody in this country, and more particularly, those in the Government. It is even more embarrassing when we are told that it is a Government project. The Government must come out clean over the Armenian brothers business. Various reports have been tabled, suggesting that the Government is responsible for the Armenian brothers - the *mamluki*. I strongly feel that action must be taken by the Government to ensure that it gets out of that matter.

Mr. Muri.thi: Mr. Temporary Deputy Speaker, Sir, thank you for giving me an opportunity to contribute to this Motion. The Government has done well in its efforts to streamline the economy of this country. However, when we look at the banking sector, the lending rate ranges between 13 per cent, 18 per cent and 24 per cent. That is for an unsecured borrowing for salaried categories. That is too high considering that young people do not get high salaries to enable them to pay a 24 per cent return on their borrowing. The savings interest rate is equally too low - only 4 per cent! That should be increased compared to the lending rate of 18 per cent to 24 per cent. Other charges are also there! The Ministry should ensure that Kenyans are not squeezed out every drop of their blood by large banks who are even charging for depositing money.

Mr. Temporary Deputy Speaker, Sir, the pace of privatisation is too slow. We want institutions such as the Kenya Airports Authority (KAA), Kenya Power and Lighting Company (KPLC), Telkom Kenya, Kenya Ports Authority (KPA) and Kenya Wines Agency Limited (KWAL) to be privatised. Kenyans should be given an opportunity to own part of those institutions. But KWAL should be sold entirely because I do not see why the Government should be involved in *mvinyo* business.

As I said before, Consolidated Bank is not owned by the Government. It is owned by some individuals. It should be sold to them. The NARC Government is not like the previous Government which took over banking institutions from indigenous Kenyans. They should be returned. I shall fight tooth and nail until Consolidated Bank is returned to the original owners who started it.

Recently, Uchumi Supermarkets went under. We were told that certain South Africans were interested to buy it. That is why some individuals were running it down. While I thank the Minister for assuring Kenyans and investors that Uchumi Supermarkets will be revived, such individuals should be punished. Those are the same people who took over KENATCO and ruined it! They are still moving around this country boasting that they are the best in paying taxes. They should be made answerable and tell us what happened to KENATCO.

Mr. Temporary Deputy Speaker, Sir, the Government has done extremely well on education. It has provided free primary education. As the President said, we should increase the facilities in our secondary schools to enable our children to proceed further with their education. It is equally important for the Government to double the facilities and the university intake at the universities. Kenyatta University has over 10,000 acres of land. How many campuses can the Government construct in such an area? They should allow our children to study in this country because the facilities are there. I really do not understand what the Government is doing to encourage people to establish private universities.

Recently, Makerere University opened its campus in Nairobi. However, the first person to say "no" was a Government officer. You fail to understand what they want us to do! Do they want our children to go to the United States of America (USA) where they are abused? Even parents are abused by the USA embassy when they go there to look for visas. Why can the Government not help Makerere University to start a campus in Nairobi? You wonder when you hear a Government officer in the Ministry of Education say: "You started a college four years ago without a licence!" Did they not have eyes to see that there was an unlicensed institution in place? They should wake up and facilitate the establishment of universities in our Republic, so that our children are not forced to go to Uganda or any other country searching for higher education. The Ministry is

holding up so many applications from people who would like to start private universities.

Mr. Temporary Deputy Speaker, Sir, the attempt by the Minister to put a ceiling to third party injury claims is absolutely wrong! You can never quantify the value of a human being. That should be left to the courts and lawyers to argue. When you say compensation to a third party claim should be only Kshs3 million, what about the other parts of the body? If I loss my leg and I am put on a wheelchair, is Kshs3 million enough? Even the loss of fertility is included! What is the Minister telling us about Kshs3 million? That is nothing!

Mr. Temporary Deputy Speaker, Sir, the Minister should sit down with players in the industry and ensure that proper compensation is recommended. A sum of Kshs3 million is absolutely nothing. Injury claims are mainly based on the victim's current remuneration, or the balance of the expected life based on the country's mortality rate. I wonder whether the Minister consulted the Ministry of Planning and National Development to know the mortality rate of Kenyans. I do not agree with him at all. He should leave that to the courts; to lawyers and judges to fight it out for the benefit of the insuring public.

Mr. Temporary Deputy Speaker, Sir, the Government has done well to establish a Ministry for the youth. It has allocated Kshs1 billion to assist them. I would like to propose that a special national committee be set up to ensure that the funds are sent directly to the constituencies. There should be properly constituted committees in the constituencies to ensure that those funds are used for intended purposes.

Mr. Temporary Deputy Speaker, Sir, we had severe drought recently. I urge the Government, particularly the Ministry of Livestock and Fisheries Development, to provide Artificial Insemination (AI) services free of charge to communities that entirely depend on livestock such as the Maasai. How do you expect to re-open the Kenya Meat Commission (KMC) - which is a wonderful idea - and the catchment areas are not ready?

We should increase our livestock to sustain the KMC.

Mr. Temporary Deputy Speaker, Sir, there was a lot of corruption at the KMC. The KMC assets were sold under the table. I can assure you that from tomorrow, nobody will sell any of the KMC's assets. We should not encourage corruption. The recommendation to sell some of the KMC's assets should be removed from the recommendations of the Minister.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about the tribal clashes victims. These people should be settled. An allocation of Kshs400 million has been set aside to settle the victims. This is peanuts. I have almost 20,000 landless families in Nyeri. The Ministry of Defence has been allocated almost Kshs1 billion and yet we are not in war with anybody. Part of that money should be used to settle the unfortunate tribal clashes victims. The Government must think about this allocation and increase it, so that money is made available to settle our landless people. We should also start the concept of villages.

With those few remarks, I beg to support.

Mr. A.H.M. Mohammed: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to also contribute to this important Motion.

The Minister has made many proposals and money has been allocated to various sectors. Over Kshs99 billion has been allocated to the Ministry of Education, which is a very high percentage of our national Budget. However, the Free Primary Education Programme that is being catered for is not doing very well because of lack of teachers. The bursary system is very welcome, but the money is not adequate.

More importantly, I would like to talk about the university education. It has been reported in the newspapers that university admission cut-off points have been raised to 70 points. That means that only 10,000 Kenyans will get admission to our universities. So many other students have been locked out. This is a great disservice to students from northern Kenya because they do

not perform as well as students from other parts of Kenya. If the cut-off points are raised, many of our students will not qualify to join our public universities.

The other opening that people use to join university is through the Parallel Degree Programme, which is also very expensive. A student who is admitted to the normal university programme is given a loan of Kshs40,000 by the Government, and the one who joins university through the Parallel Degree Programme pays Kshs450,000. This amounts to discrimination. Students from northern Kenya are very disadvantaged in that line. Our students who cannot obtain the cut-off points cannot still access the Parallel Degree Programme because it is very expensive. I would like to ask the Government to look into the Parallel Degree Programme and see what can be done to make it cheaper. The cut-off points have been raised to encourage many people to join universities through the Parallel Degree Programme. I do not know who benefits from the Parallel Degree Programme. I have benefitted from the programme because I can afford to pay for it. Who benefits from this Parallel Degree Programme since many Kenyans cannot afford it? I personally can afford it. I went to university immediately I came to this House in January 2002, and I have completed my degree. I can afford it but many Kenyans cannot. So, I want to request the Government to lower the fees for the Parallel Degree Programme so that many Kenyans can access it.

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it really in order for the hon. Member to ask the House who benefits from this parallel degree programme when he really admits he is a beneficiary?

(Applause)

Mr. A.H.M. Mohammed: Thank you, Mr. Temporary Deputy Speaker, Sir. I mean that it should benefit many Kenyans who are poor.

Mr. Temporary Deputy Speaker, Sir, on the water sector, the Government has done very well. It has given us in the ASAL districts more money than last year, but when you look at the proposal and the amount of money that has been presented and the type of programmes that they are supposed to be undertaking, then I am inclined to think that the Minister has had his input but the people who do this job are technocrats. According to me, when I analysed that Budget, they do a routine job because I represent a constituency where ground water is not available. The Ministry gives us money for construction of water pans and boreholes, and they do not think of any innovative way of conserving that water. I am expecting that at least something innovative will be done for us to be able to harvest that rainwater.

Mr. Temporary Deputy Speaker, Sir, the removal of road licences is a disservice to this country because how many people own vehicles for them to benefit from this move? The increase of fuel cost is affecting many Kenyans. Yes, the Minister has to raise money somehow, but the Kshs3 increase is too much. I thought he should have gone for an increase less than that. One shilling or fifty cents would have been better.

Mr. Temporary Deputy Speaker, Sir, the Constituency Development Fund (CDF) is the best law this Parliament has ever enacted. For example, from 1992 to 2002, the highest amount of money that this Government has ever sent to my constituency of Mandera West has been Kshs1.5 million or Kshs3 million per year for water provision. Mandera West people are now very happy because they have got a lot of money and we are now coming at par with other constituencies. We are expecting to get Kshs45 million this year. We have built schools and dispensaries and constructed roads, but the disappointing thing is that those schools and dispensaries have no staff. In the coming amendments that will be done to the CDF Act, I want to propose that we be allowed to recruit our own teachers from the CDF money; otherwise, the dispensaries and schools that will

be built will be difficult to operate since the Government cannot man them.

The Minister also talked about the banking sector. It is important to note that the Government has realised the importance of a cross-section of the community who are unable to access certain banking services because of the high interest rates levied on loans. Some people, because of their faith, are unable to access various banking facilities. Now that the Government has realised this, the Minister wants to bring an amendment to the Banking Act. That is a very welcome and timely move. I urge the Minister to bring that amendment to this House as soon as possible, so that the Muslim community who have been affected by the issue of interest rates because of their faith, can benefit and contribute to the growth of this economy.

The Government has done very well by creating the Ministry for Youth Affairs and also allocating a huge chunk of money for youth programmes in this country. However, I would like to request the Government to make sure that, that money is allocated on the basis of constituencies. We want those constituencies which lag behind and do not have youth polytechnics to directly benefit from this fund.

Mr. Temporary Deputy Speaker, Sir, the proposal that the Government withdraws vehicles from Ministers, Assistant Ministers and Permanent Secretaries is a good one, but, in my opinion, it is not very timely because we are currently operating as a manual Government. We basically do most of the things physically; for example, we have to write letters, sign them and take them to where they belong physically. By withdrawing these vehicles, some essential services will be affected. I think the Government should first invest in e-government and then withdraw those vehicles later on. This way, we will have moved from being a manual Government to an e-government.

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

The Assistant Minister for Water and Irrigation (Mr. Wanjala): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Budget Speech. First of all, I want to thank the Government for its excellent performance since it took over the running of the affairs of this country.

The people of Budalangi Constituency, for example, are very happy because for the first time in the history of that area there is no flooding. The credit for this goes to the Head of State, who took his personal initiative to direct the National Youth Service (NYS) and the Kenya Army to be on standby in Budalangi Constituency, year in, year out. We have seen the benefits. Budalangi Constituency today is the granary of Western Province. We have plenty of food. The only problem is that we have small land because most of our land has been taken up by the Yala Swamp. However, I want to assure you that the President gave a 90-day directive that some irrigation schemes be rehabilitated and revived because they collapsed 10 years ago. If you visit Budalangi Constituency, you will be impressed by the kind of rice we are growing. Our people are very happy with what is happening.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. M'Mukindia): Order, hon. Members! Mr. Wanjala, you will still have eight minutes to conclude your contribution when debate on this Motion resumes tomorrow.

Hon. Members, it is now time for the interruption of the business of the House. The House, therefore, stands adjourned until tomorrow, Thursday, 22nd June, 2006, at 2.30 p.m.

The House rose at 6.30 p.m.