

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 18th June, 2003

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.198

UTILIZATION OF TARDA REVENUE

Mr. J. Nyagah asked the Minister of State, Office of the Vice-President and Ministry of National Reconstruction:-

- (a) how much of the TARDA revenue is going to be spent in the districts of Mbeere, Machakos, Kitui and Mwingi for their development activities in the next three years; and,
- (b) how much money has been spent in these districts during the last three years.

Mr. Deputy Speaker: Mr. J. Nyagah is not here. We will leave the Question until the end. Next Question by Mr. Munya!

Question No.279

LIQUIDATION OF TIGANIA FARMERS SOCIETY

Mr. Munya asked the Minister for Co-operative Development:-

- (a) what the total market value of the assets of Tigania Farmers Co-operative Society at the time it was put under liquidation was;
- (b) what assets had been sold by the liquidators since then and how much money had been realized; and,
- (c) when the former employees of the society will receive their terminal dues.

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

(a) Since no valuation was done due to the cost element, the cost values of the assets when the society was put under liquidation are as follows:-

| | |
|--------------------------------|----------------|
| (i) Land | Kshs995,904 |
| (ii) Buildings | Kshs12,064,428 |
| (iii) Machinery and Equipments | Kshs3,185,063 |
| (iv) Furniture and fittings | Kshs534,505 |
| (v) Drying tables | Kshs1,808,389 |
| (vi) Fencing | Kshs41,481 |

1380

| | |
|------------------------------|-----------------------|
| Meru North shares | Kshs495,400 |
| KPCU ordinary shares | Kshs409,860 |
| KPCU 1996/2000 loan stock | Kshs10,428 |
| Co-operative Bank shares | Kshs1,390,600 |
| CIS Ordinary shares | Kshs2,500 |
| MACCU Motors shares | Kshs3,230 |
| TOTAL VALUE OF ASSETS | Kshs20,941,788 |

(b) Mr. Deputy Speaker, Sir, assets sold and amounts of money realized is as follows:

| ASSETS | AMOUNT REALIZED |
|--|------------------------|
| (i) Meru Municipality | |
| Block 11/35 | Kshs8 million |
| (ii) Mikinduri Plot No.83 | Kshs330,000 |
| (iii) Sale of parcel | |
| [The Assistant Minister for Co-operative Development] | |
| No.3368 Kiguchwa | Kshs300,000 |
| (iv) Duplicating machine(Old) | Kshs60,000 |
| (v) Typewriter(Old) | Kshs15,000 |
| (vi) Maccu Motors shares | Kshs152,000 |
| (vii) 72 used iron sheets | Kshs16,200 |
| (viii) Stationery and other miscellaneous | Kshs4,814 |
| TOTAL | Kshs8,878,014 |

(c) Mr. Deputy Speaker, Sir, the splinter societies undertook to settle the terminal benefits of the employees who were working in the respective factories now registered as full- fledged co-operative societies. They have pledged to do this as soon as they receive coffee payments for the already delivered coffee.

Mr. Deputy Speaker, Sir, I also want to add that at the request of the hon. Member for Tigania, Mr. Munya, we have, as at last week, instituted an inquiry team to get full details that will give a further comprehensive response to this Question.

Mr. Munya: Mr. Deputy Speaker, Sir, if you look at the assets given for part (a) and you look at the assets that are sold, you will find that they are not the same. So, there is a lot of confusion even in the answer because I would have expected the answer to part (b) to contain some of the assets in part (a) because the assets shown in part (b) that have been sold are not the same that are in part (a). That is why I welcome the probe on specifically the liquidator who was appointed to liquidate the society. We would want to know whether the Assistant Minister will take action against him for he has neither been calling meetings nor complying with the rules of liquidation. Could the Assistant Minister confirm that, if the liquidator is found to have broken the law, he will be prosecuted?

Mr. Kenneth: Mr. Deputy Speaker, Sir, I share the concerns of hon. Munya and once the results are out action will be taken.

Mr. Deputy Speaker: Very well. Next Question by Mr. A.M. Mohamed.

Question No.252

MEASURES TO ENHANCE
EDUCATION IN NEP

Mr. Mahamud: asked the Minister for Education, Science and Technology:-

(a) what the enrolment, retention and completion rates of pupils in primary and

secondary schools in North Eastern Province for the last ten years as compared to the rest of the Republic were; and,

(b) what measures the Government has put in place to enhance education in the area.

The Assistant Minister for Education, Science and Technology (Mr. Gumo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The enrolment, retention and completion rates of pupils in primary and secondary schools in North Eastern Province for the last ten years, as compared to the rest of the Republic, is hereby attached.

(b) The Government has put in place the following measures to enhance education in the area:

- i) Provision of grants to low-cost boarding primary schools;
- (ii) Introduction of a school feeding programme;
- (iii) Provision of bursaries to the needy in secondary schools;
- (iv) The implementation of Free Primary Education Programme; and,
- (v) Provision of support grants in health and nutrition to enhance early childhood education.

(Mr. Gumo laid the document on the Table)

Mr. Mahamud: Mr. Deputy Speaker, Sir, while I appreciate the answer given by the Assistant Minister, it is very embarrassing to see that a whole province is not getting the fruits of education. You may not have the table showing the enrolment and retention rates of students in primary and secondary schools in North Eastern Province. In primary schools, the completion rate of pupils for the last ten years has been an average of 4 per cent, while the national rate has been 24 per cent. That clearly shows that, with all the measures the Assistant Minister has taken, nothing is working and our people have no access to education.

Could the Assistant Minister give us an assurance that he will put more measures in place to ensure that every child in North Eastern Province completes his education?

Mr. Deputy Speaker: Mr. Mahamud, I invited you to ask a question.

Mr. Mahamud: I asked!

Mr. Deputy Speaker: Then, you should leave the Assistant Minister to answer it!

Mr. Gumo: Mr. Deputy Speaker, Sir, the hon. Member is very much aware that in the past, primary education was not free and compulsory. He is also aware that schools were being built by parents. It was the responsibility of the parents to take their children to school and not of the Ministry of Education, Science and Technology. Now that primary education is free and compulsory, we will do everything possible to make sure that every child goes to school.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, you have heard the Assistant Minister say that he will ensure that the Government builds schools. Is it now the policy of the Government to construct schools? Could he confirm that?

Mr. Gumo: Mr. Deputy Speaker, Sir, I did not say that. I said that it is now compulsory for children to be taken to school. That was not the case before.

Mr. Bahari: Mr. Deputy Speaker, Sir, this is a very serious matter. Every year, when you look at the examination results for all schools in North Eastern Province and other arid areas, you realise that the areas trail the rest of the country. The implication of that is that if you relegate that zone to the periphery, it will continue being an underdog in this country.

Now that the Assistant Minister has outlined the measures which he has taken, which have been in place for quite a long time and do not seem to be effective, could he now tell us what extra measures he will put in place to ensure that education in North Eastern Province is improved?

Mr. Gumo: Mr. Deputy Speaker, Sir, we are now putting more resources into the establishment of boarding schools in Arid and Semi-Arid Lands (ASALs). We will build more

boarding schools in the areas as shown in the schedule I have attached to my answer. This issue has come up very many times. This is not the first time I am getting it here.

As I said before, we are putting in more resources to ensure that more children are enrolled in schools. If you look at the previous rate of enrolment to schools, you will find that it has been very poor. We are now encouraging parents to take their children to school. Hon. Members of Parliament must also go round and try to encourage parents to take their children to school. They should ask chiefs to go round and tell parents to take their children to school. It is a responsibility for all of us. It is not only the Ministry of Education, Science and Technology that should encourage parents to take their children to school.

Mr. Sasura: Mr. Deputy Speaker, Sir, I am really surprised that the Assistant Minister has said that his Ministry is giving support in terms of the School Feeding Programme and health care to primary and secondary schools. In as far as I know, there is no single time that the Government has given health support to school children in North Eastern Province. That notwithstanding, the Assistant Minister has said that his Ministry is running the School Feeding Programme in North Eastern Province as an incentive for children to be taken to school.

Could the Assistant Minister confirm or deny that the School Feeding Programme is, more or less, not functional now? If it is functional, then it is the parents, and not the Ministry, who are bearing the burden of taking firewood and water to the schools. The only thing that parents do not do is to cook the maize and the beans. Could the Assistant Minister confirm that the School Feeding Programme is almost dying out?

Mr. Gumo: Mr. Deputy Speaker, Sir, it looks as if hon. Members of Parliament from the North Eastern Province think that it is the burden of the Government to collect the children from their homes and take them to school. It is the responsibility---

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

Mr. Deputy Speaker: Order, hon. Members! The Assistant Minister will be heard!

Mr. Gumo: Mr. Deputy Speaker, Sir, it is the responsibility of the Government, the parents and hon. Members of Parliament to make sure that all children are enrolled in schools. So, if parents are not ready to take their children to school and are waiting for the Government to go and collect their children from their homes, they are wasting their time.

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

Mr. Deputy Speaker: Order, hon. Members! It is out of order for hon. Members to stand up when another hon. Member is speaking.

Dr. Godana: Mr. Deputy Speaker, Sir, I wonder whether this Assistant Minister understands the meaning of the word "compulsory". He said that, under the National Rainbow Coalition (NARC) Government programme, and we welcome it, primary education is free and compulsory. However, he has said that it is up to parents to take their children to school. What sanctions has the Ministry devised for those who fail to take their children to school?

Mr. Gumo: Mr. Deputy Speaker, Sir, I said it is the responsibility of both the Government and the parents to ensure that children are taken to school. Even if primary education is free and compulsory, if parents will hide their children under the beds, how do they expect the Government to go there and bring them out?

Mr. Deputy Speaker: Order, hon. Members! I know the Question is interesting and is

important to this nation, but we also have some limit to it.

Mr. Rotino: Mr. Deputy Speaker, Sir, the Assistant Minister is really amusing us because he does not understand the intricacy of those areas. The School Feeding Programme, as Mr. Sasura has said, is a fading programme. Could the Assistant Minister, therefore, assure us that he will strengthen the School Feeding Programme in those areas? Without the School Feeding Programme, the children in those areas cannot go to school.

Mr. Gumo: Mr. Deputy Speaker, Sir, we are doing a lot and the hon. Member must, at least, appreciate that. The Government is doing all it can to make sure that children from those areas go to school. As you are aware, some parents in those areas do not take their girls to schools. Let us encourage parents to take their children to school jointly, so that the free and compulsory primary education programme succeeds. If parents do not participate, I am sorry to remind them that, they will remain behind for a long time.

Dr. Godana: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is definitely out of order. He has deliberately refused to answer the question. The question was: "Given that the World Food Programme-funded School Feeding Programme is designed to end, as the hon. Member has put it, what assurance is the Assistant Minister giving us that the programme will either be extended or there will be an effective replacement?"

Mr. Gumo: Mr. Speaker, Sir, the programme has just been renewed. It is going on and it will continue.

Mr. Deputy Speaker: Last question Mr. Mahamud, or should give the chance to Mr. Ngoyoni?

Mr. Ngoyoni: Mr. Deputy Speaker, Sir, God has helped us in this country during difficult times. The Question was asking about completion and retention. This is also as a complement of secondary education. Majority of the people in that region live on famine relief. How does the Ministry expect them to pay school fees for secondary school? If you are on relief food, it automatically follows that you cannot afford to educate your children. What is the Ministry doing to ensure that there is retention and completion of secondary school education by those children?

Mr. Gumo: Mr. Deputy Speaker, Sir, we are giving bursaries for deserving cases of children in secondary schools. This has been going on and it is going to go on. We shall make sure that those students, who are really from very poor families, are given bursaries.

Mr. Deputy Speaker: Next Question, by Mr. J. Nyagah, for the second time.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I apologise for not being here on time.

Question No.198

UTILIZATION OF TARDA REVENUE

Mr. J. Nyagah asked the Minister of State Office of the Vice-President and Ministry of National Reconstruction:-

(a) how much of the TARDA revenue is going to be spent in the districts of Mbeere, Machakos, Kitui and Mwingi for their development activities in the next three years; and,

(b) how much has been spent in these three districts in the last three years.

The Minister of State, Office of the Vice-President and Ministry of National Reconstruction (Mrs. Kilimo): Mr. Deputy Speaker, Sir, I beg to reply.

This is the second time this Question is coming up. The revenue that is going to be spent by Tana and Athi Rivers Development Authority (TARDA) in the four districts will be Kshs472,679,300, tabulated as below;

| | | |
|-------------------|---|-----------------|
| Mbeere District | - | Kshs14,556,000 |
| Machakos District | - | Kshs69,690,100 |
| Kitui District | - | Kshs510,600 |
| Mwingi District | - | Kshs387,922,600 |
| Total | - | Kshs472,679,300 |

Mr. Deputy Speaker, Sir, for part (b), in the last three years, 1999-2002, TARDA spent Kshs 63,391,600 in various projects in the 4 Districts of Mbeere, Machakos, Mwingi and Kitui as tabulated below;

| | | | | |
|------------------|---------------|----------------|---|----------------|
| Mbeere District- | Kshs9,085,000 | Machakos | - | Kshs26,397,300 |
| Mwingi | - | Kshs27,061,500 | | |
| Kitui | - | Kshs847,800 | | |
| Total | - | Kshs63,391,600 | | |

Since this is the second time this Question has been asked, may be I need to give more information to the former Minister who is a now a Member of Parliament. Since the 1980s, TARDA has been developing and managing projects within the Tana and Athi River basins. In Mbeere District, the ongoing projects are Kiambere and Masinga Irrigation Schemes. Afforestation is going on in Arid and Semi-Arid Lands (ASAL) zones of Kiambere and Masinga reservoirs, bee-keeping at Kiambere, and dam monitoring. In Machakos District, TARDA has developed and continues to manage the Masinga Reservoir, Masinga Dam Resort and it is active in providing tree seedlings to farmers at subsidised costs. In Mwingi District, the Authority has developed and manages Kiambere-Mwingi Water Supply Project. The communities served by this project get water at subsidised costs by TARDA. In Kitui District, the Authority has developed and operates the Kitui Honey Refinery and plans are underway to expand the project by supporting communities through groups, to increase honey production by providing bee-keeping equipment. The projected expenditure for the financial year 2003-2005 of the above cited projects is provided in the table below.

For Kiambere Irrigation Project, we intend to spend for the year 2004, Kshs12,000,000. In Masinga Irrigation Project----

Mr. Deputy Speaker: I do not know how long your answer is.

Minister of State, Office of the Vice-President and Ministry of National Reconstruction (Mrs. Kilimo): It is because this is the second time he is bringing the Question.

Mr. Deputy Speaker: I appreciate your answer Madam Minister. I do not even know how this Question found its way into the Order Paper. I appreciate that the Minister has answered it before.

Be that as it may, and in view of the fact that we must stop Question Time in another 4 minutes, can I allow the Member to ask one supplementary question, and also ask the Minister to lay those documents on the table so that the matter is now finalised? But let me ask the Member to ask one question.

Mr. J. Nyagah: I want to thank Parliament for putting this Question on the Order Paper for a second time. You have heard that this organisation has done very little. Those figures are imaginary. We know the root cause of the problem was when KenGen refused to pay TARDA. As you know, 2 per cent of TARDA's income was supposed to be used in our area. Could the Minister confirm that in the current Budget, which was read here the other day, that money has now been guaranteed from KenGen to TARDA so that the river basin people can know that there will be sufficient funds? If not, we should make the amendments on the Floor.

Mrs. Kilimo: Mr. Deputy Speaker, Sir, if I had finished reading the tabulations, that statement would not have been necessary. The conclusion of my statement was that it should be noted that the expenditures covered the maintenance of the existing projects undertaken by the

Authority before its revenue base was transferred by the former regime to Kenya Power and Lighting Company (KPLC) and KenGen in 1998. However, we are still negotiating with these two departments to see how we can best get our dams back or if not, they should be able to give us revenue.

Mr. Deputy Speaker: Last question on that matter by Mr. J. Kilonzo!

Mr. J. Kilonzo: I happen to come from Kitui District which, unfortunately, seems to have received the least funds from TARDA. The Minister has just mentioned Kshs800,000 which has gone towards the Honey Refinery in Kitui. I want to tell the Minister---

Mr. Deputy Speaker: No! Ask the Minister a question!

Mr. J. Kilonzo: I want to ask the Minister where this refinery is in Kitui because we do not have such a refinery. Given that there is a disparity in these four districts in the way money has been allocated, how is Kitui going to benefit?

Mrs. Kilimo: Mr. Deputy Speaker, Sir, it seems that the Member of Parliament is not aware of what is happening in his constituency; TARDA is collecting honey from groups. You know that the Government's policy is the bottom-up approach and we are getting honey from women's group and other organised groups which have been exporting honey to America.

QUESTIONS BY PRIVATE NOTICE

Mr. Deputy Speaker: Very well. Hon. Members, I have to defer the two Questions by Private Notice to tomorrow.

CLOSURE OF MUMIAS COMPANY

(Mr. Oparanya) to ask the Minister for Agriculture and Livestock Development:-

- (a) Is the Minister aware that Mumias Sugar Company has been closed as a result of a strike by the tractor drivers and the reduction of sugar price from Kshs2,015 to Kshs1,750?
- (b) What action is he taking to ensure the factory is opened?
- (c) Who will compensate the farmers for the sugarcane, which had already been harvested and was not collected?

(Question deferred)

PURCHASE OF MIWANI SUGAR COMPANY SHARES

(Prof. Olweny) to ask the Minister for Agriculture and Livestock Development:-

- (a) Is the Minister aware that the Managing Director of Miwani Sugar Company has deducted over Kshs40,850,457.95 from the farmers' dues for purchase of shares from the company?
- (b) Is the Minister aware that the records available in February this year indicate that over Kshs27,000,000 deducted from farmers in the months of February, March, June, October and November was never banked in the shares account?
- (c) Who are the signatories to the shares account?

(Question deferred)

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

Mr. Deputy Speaker: Order, Mr. Munya! I am speaking and you also want to speak at the same time! Could you hold your horses, please?

Mr. Munya: Mr. Deputy Speaker, Sir, it is a valid point of order!

Mr. Deputy Speaker: Order! Mr. Sambu?

POINT OF ORDER

DEATH OF CHILD IN POLICE CUSTODY

Mr. Sambu: Mr. Deputy Speaker, Sir, I rise to demand a Ministerial Statement from the Minister of State in the Office of the President on a very serious matter about the death of a child in a police station. We wish to know from the Minister, through a Ministerial Statement, possibly tomorrow, under what circumstances Mrs. Philomena Samoei of Sarora Village, in Mosop Nandi, was arrested by officers from Kabuyiet Police Post together with her four-year old child, Brian Kimeli. We would also like to know why she was put in chains because the police force has no permanent cells. She was chained on both legs and hands overnight; on Saturday night.

On Sunday night she was moved to Kapsabet Police Station where she spent the night with her child. In the morning of Sunday, at Kapsabet Police Station, the child was okay, but the mother was sentenced to clean toilets in the police station. When the mother was taken out, she left the child quite well. After cleaning the cells for about an hour, she was brought back. When she came back she found her child dead; strangled with a *leso*.

Mr. Deputy Speaker, Sir, we would like the Minister to stop the police because when the mother was grieving, they gave her money and asked her to go home and report the death of her child and that the police would deliver the body later. This is a very serious matter and the police are trying to cover it up with a hurried postmortem. You can see that they sent away the mother under duress. I request for a Ministerial Statement on this matter and also urge that the police be stopped from burying the child before a full postmortem is done and a report is done to enable us know the circumstances that led to this death.

Mr. Deputy Speaker: The Assistant Minister, Office of the President has heard that. Could you undertake to do something?

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, I undertake to bring the Statement here tomorrow in the afternoon.

Mr. Deputy Speaker: Very well. 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 12.6.2003)

*(Resumption of Debate
interrupted on 17.6.2003)*

(Second Day of Budget Debate)

Mr. Deputy Speaker: Mr. Sungu, you were on the Floor and you have eight minutes.

Mr. Sungu: Thank you, Mr. Deputy Speaker, Sir. As I said yesterday, we need to congratulate the Minister for presenting such a wonderful Budget Speech which was full of focus for the future. It really focused on investment for the future. One of the areas which need to be looked at more properly is the full use of raw materials, particularly those emanating from the agricultural sector; like the molasses which is totally misused, exported to Uganda and used to manufacture Ugandan *Waragi* which we import. It has been commercialised while *chang'aa* is left to destroy our people. The net effect of commercialising this brew is that there will be less *chang'aa* drinking because it will be made more expensive. It will be standardised, medically fit and will enable Kenyans to make some economic value out of that.

Mr. Deputy Speaker, Sir, I think the major issue of encouraging domestic and foreign investment is something to congratulate the Minister for. If we want to keep our pledge, as the Government of this nation, that we will create 500,000 jobs for the economy of this country, then we need to focus on investment. I dare say that the Minister actually did try to ensure that he had tax waivers and encouragement for the private sector and investors to invest more money in this country.

One thing, however, which is of major concern to me---

(Loud consultations)

Mr. Deputy Speaker, Sir, could you protect me? There is a lot of loud consultation going on.

Mr. Deputy Speaker: Order, hon. Members! Please consult quietly so that we can hear Mr. Sungu.

Mr. Sungu: Even if I am boring, I cannot concentrate. The Minister did make some wonderful concessions to the coffee sector in agriculture. He made some tax waivers and incentives in terms of the raw materials used in the coffee industry, for example, fertilizer and industrial equipment used in the processing of raw coffee. I think this was a wonderful gesture, but I think that this issue should have gone across the board. This should have included tea, sugar, fish and cotton.

We have such a wonderful opportunity in this country that the American Government saw it fit to enact the Africa Growth and Opportunity Act (AGOA). We are not taking full advantage of this because our cotton industry is in the doldrums; only foreigners are taking advantage of this. I would like to encourage the Minister because this is his first Budget. This is the first NARC Budget and we should now focus on the other areas that were left out rather than just only coffee. It would be some sort of discrimination if we were to just focus on coffee and leave out the other agricultural products like sugar, tea, fish, cotton and even tea.

Mr. Deputy Speaker, Sir, I think that if this Government were to be serious about really creating those 500,000 jobs, then we would consider actively expanding the Export Processing Zones. The non-export processing zones are either in Nairobi, its environs or in Mombasa. We have conveniently left out towns like Kisumu, Kakamega, Garissa and Wajir. The only way we will ever de-congest Nairobi and expand the economy of this country is to make sure that all Kenyans are actively involved in economic development and in the work of this nation. I would like to request the Minister to actively consider, for example, establishing an export processing zone in Kisumu. Another way of doing this---

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! I do not think it is fair for the Chair to keep on

reminding hon. Members that we need some order in the House. Can we have quiet consultations, please?

Proceed, Mr. Sungu.

Mr. Sungu: Thank you, Mr. Deputy Speaker, Sir. I hope you will add me some more time. I think we need to look elsewhere in the world to see how people have developed their areas by even creating tax havens. For example, the City State of Dubai in the United Arab Emirates has become a major focus of development in the Gulf Region merely because it gives incentives to the citizens and other people to invest there. They operate in a tax-free atmosphere. We could establish tax-free havens even in Lamu, Mombasa or in a lot of big islands which are going to waste in Lake Victoria to encourage economic and industrial development.

Mr. Deputy Speaker, Sir, on the agricultural sector, I want to appeal to this Government to focus on irrigation. It is a shame that, 40 years after Independence, this country should have people being displaced by floods. Ninety per cent of the rivers that flow into Lake Victoria come from Kenya. The Lake Victoria waters are actually the only source of the River Nile. This same river is used for irrigation purposes in Sudan and Egypt. Sudan produces sugar very cheaply because of irrigation. We are now importing sugar from Sudan. It is a shame that we can kill our own local sugar industry by merely not focusing on what we need to do for this country.

Apart from building dams on these rivers for flood control purposes, these dams should be used for irrigation purposes. The whole of the Lake Victoria Basin in Kenya, from Busia to Nyanza up to the northern Tanzanian border, is so flat and fertile. The only thing that is left is to irrigate this area and it will feed the whole of Kenya. It is a shame, personally to me, that 40 years after Independence we are still importing rice, cotton--

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

Mr. Sungu: Mr. Deputy Speaker, Sir, I beg to support.

Dr. Godana: Thank you, Mr. Deputy Speaker, Sir, for giving me the Floor to contribute to the debate to the Budget. I stand to support the Motion before the House grudgingly because there are only three or four things about this Budget which can be described as significantly positive. I will be fair to the Minister. We welcome his bold decision, despite the temptation which must have been there, not to factor into the Budget expected balance of payments support from donor funds. We welcome the continued commitment to free primary education as evidenced by substantial resource allocations. We also welcome, though not that strongly, some provisions for enhanced commitment in terms of funding to infrastructure re-construction and to certain limited agricultural sectors. Beyond that, I do not think there is much we find in this Budget which is worth of praise.

In his opening remarks, the Minister dwelt at length on what he called the "mess" that the NARC Government inherited from the predecessor administration. I think it is fitting irony that the Minister and his colleagues in the NARC administration are the ones now trying to sort out that mess because, in a sense, they contributed a lot to it when they fought effectively for years to starve this country of donor funds; the same donor funds that he is now fighting to have restored.

Mr. Deputy Speaker, Sir, we notice that the Budget has ballooned the expected deficit from Kshs68 billion, as per the proposals of June last year, to Kshs117 billion. When one looks closely at the detailed proposals, it is clear that the actual results for expenditure allocations are far short of the highly publicised commitments or declarations of policy by the NARC administration since coming to power; about instituting proper and progressive policies. When we realise that 54 per cent of the Budget is taken up by management of debt as well as public administration, and that out of the 26 per cent which is given to various social sectors, half of it is taken up by teachers' salaries, really there is not much left for what we would call development allocations.

Mr. Deputy Speaker, Sir, the Minister did dwell at length on reigning in the banks or the financial sector. With 50 banks in this country, I think we have too many banks for the size of our

economy. Obviously, there are certain bank practices or habits which, to say the least, are most unwelcome. However, I think the range of measures which the Minister has proposed are bound to be counter-productive in the long-term. I say this knowing fully well that the public think that this is a popular measure. I think what we need in this country at this stage, indeed, is to encourage some of the smaller indigenous, but non-viable banks, to consolidate and move into larger banks. The reason is that the failed attempts by this country's people to found indigenous banking has always been founded on account of either poor supervision by the Central Bank of Kenya, poor management or limited resources for which they have to compete. The net result has been that many patriotic Kenyans, who have learnt of the failures of particular banks which have gone down with people's money, are increasingly finding it safer to actually put their deposits in multinational banks like Barclays and Standard Chartered. Therefore, I think the challenge on us is to encourage national indigenous banking and not by way of making it easy for any two individuals to put together Kshs250 million and set up a village bank for their tribesmen. We should actually put in measures which will move, probably, some of these smaller banks into viable competition with the multinational banks which are operating here.

Mr. Deputy Speaker, Sir, I recall when the President of this country read his Speech here during the State Opening of Parliament, he dwelt at length on what he called the "commitment" of his administration to correct historical imbalances in development levels between North Eastern Province and the contiguous districts of upper Eastern, North Rift, the Maasai nomadic areas and the rest of the country. He promised substantial resource allocations. Indeed, as a follow-up, hon. Members of Parliament from those areas did have a two-day workshop with senior officials from the Ministry of Planning and National Development and the Ministry of Finance. We did set out our priorities. We have been disappointed by what we have seen in this Budget. The Minister has been very intelligent, like an old civil servant and an experienced politician, by wording a statement in the Budget to the effect that we have got non-national or external resources for those areas to the tune of Kshs750 million. That is deceptive and the hon. Minister knows that. It is deceptive because the funds under the Arid Lands Resource Management Programme (ALRMP) in the Office of the President have been there for the last five years. We expected new resource allocations because the funds have been doubled after a lot of pressure we put in and with the very sympathetic support of the current World Bank country representative last year. This is not a new project line in the current Budget. There has been no commitment from the Central Government in following up that promise by His Excellency the President. So, we feel cheated. I believe if the Government is serious about correcting these historical imbalances, the Ministry of Finance and the Ministry of Planning and National Development must come to this House with a Sessional Paper on their intentions for those areas.

Mr. Deputy Speaker, Sir, I am surprised that the Minister decided to remove the Export Tax which we enhanced last year; from a meagre 15 cents per kilogramme imposed in 1974 on raw cashewnuts and macadamia nuts exports. Obviously, there is no hope of us encouraging value-adding here. I did realise, when I was the Minister for Agriculture and Livestock Development, that India is virtually the sole importer of all raw cashewnuts and macadamia nuts from this country. India controls the marketing of those nuts through a centralised auction system like our coffee here. So, by removing this tax the Minister will make it easier for the Indian middlemen - I have nothing against the community here - to make colossal profits by exporting nuts to the country of their ancestral origin. Therefore, there is no hope for the Cashewnuts Factory at Coast Province of ever being re-instituted. If the Minister is serious about restarting the cashewnuts factory, he must give incentives to would-be manufacturers and processors. By contrast, the Minister for Finance in Tanzania, on the same day that the Budget was read here, imposed export tax on raw commodities. He said that was the only way to encourage local value-adding. He imposed tax on unprocessed exports of gemstones, hides and skins. I think our Minister has to borrow a leaf.

Finally, Mr. Deputy Speaker, Sir, the livestock sector in this country has a potential to rival

tea, coffee and tourism in terms of its economic potential, both locally and externally. Tanzania, with much less arid areas than Kenya, and with a smaller percentage population directly and solely dependent on livestock has decided, through its Budget this time, to actually start a Livestock Development Fund. It has made major concessions towards encouraging better output in that sector. We have seen nothing here again. Again, evidencing that what we were promised in the NARC Manifesto and through the President's own commitment here which took some of us for a ride, I remember standing here and saying, if you do that within six months, we may re-think our positions. I think we were right to doubt and now the doubt has come home.

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

The Assistant Minister for Agriculture and Livestock Development (Mr. Munyao): Mr. Deputy Speaker, Sir, I thank you for giving me this chance to say a few words of praise to the Minister for Finance.

Mr. Deputy Speaker, Sir, at the beginning of the year, when Mr. Mwiraria was appointed the Minister for Finance, I really prayed for him. I did not know what he would do with an empty granary. At that time, I pleaded with him to publish what he inherited from the Treasury. It was an empty granary. I, therefore, congratulate him for having ably tabled such an effective, well thought-out and balanced Budget.

Mr. Deputy Speaker, Sir, I am amazed to hear the Deputy Leader of the Official Opposition, who earlier on was sitting where we are, say that he was shocked because there was nothing new in the Budget. But whatever he said is also appreciated.

Mr. Deputy Speaker, Sir, at one time, I thought if the Minister for Finance could publish weekly all the mismanagement of public finances which he inherited because no Ministry had anything--- In fact, the Government had no stationery at all both at the headquarters and in every other place. They used to write letters on recycled papers. Today, stationery is available all over and I am sure the Opposition is fairly happy.

Mr. Deputy Speaker, Sir, having said that, I want to appreciate what the public has said. In the last 150 days that the NARC Government has been in office, we have managed to achieve more than what the KANU Government achieved in 25 years. The question being asked by the public is: "Where were all these things?" "Why were all these things not available although Kenyans were paying taxes?" For example, the KANU Government had stated severally that it was impossible to offer free education. But we told them that it could not be impossible because parents had built the schools and they were paying teachers through their taxes. Therefore, what is this middle payment which had to be done? I congratulate the NARC Government and the Minister for Finance for making sure that the free primary education programme is a reality.

Mr. Deputy Speaker, Sir, I also wish to thank the Minister for his directive to the commercial banks. For a long time, we have been wondering how come that when, on the one hand, we were being told the economy was performing so badly and, on the another hand, the banks were declaring profits annually. What was this? Where were those banks getting money from? Above all, you could go to a bank even now, to seek your balance or information and even to withdraw money and you are charged Kshs500. What are all these charges for? Why should we be charged this? We must appreciate this. As the Minister said, I would like him to be firm that the Central Bank of Kenya really controls the commercial banks. After all, the Central Bank of Kenya is the bank for all other commercial banks and it should manage them properly.

Mr. Deputy Speaker, Sir, having said that, I do passionately request the Minister for Finance - I know it is impossible so soon having inherited an empty granary to get funds - to consider the Government policy of delivery of services to the ASAL areas, particularly the North Eastern Province, Ukambani and several other places. We should start with Ukambani where we need more water. We have got the Tana River, Thwake River and several other rivers which pass through there. We

would like to have a massive plan to block all the little tributaries which take water to the major rivers before the water goes to the Indian Ocean. The Indian Ocean does not need any more drops of water. It has got enough water. In any case, if it needs water, let the water not be from Ukambani. We want to retain the water harvested in Ukambani. We would like the Government to negotiate with the Chinese Government to make sure that we get the expertise so that we block all those rivers so that the water could be used for irrigation. Even at that time, in an area like North Eastern Province, we could grow very good cotton because we need cotton. There is vast land to grow cotton. In other areas, we could even grow cheaper sugarcane than the one we have today and we could market it better. We would like this issue to be discussed and considered.

Mr. Deputy Speaker, Sir, the other thing we will need, particularly in Ukambani and other ASAL areas, are good roads. Without good roads, farmers will not be able to take their produce to the right markets. We have done estimates on the roads which traverse through Ukambani, and which need to be done. They are not more than 400 kilometres long and that translates to about Kshs2 billion to Kshs3 billion. This can be done. We need good roads in that area of Ukambani traversing towards the North Eastern Province and all the other areas so that farmers could transport their goods to the markets on time.

Mr. Deputy Speaker, Sir, the other thing we might need in particular areas of Ukambani and ASAL areas is electricity. At the moment, there are very few areas with electricity in Ukambani. It is shocking because power is being generated from the Masinga Dam. I am told, and the Minister for Finance will confirm this, that when finances were being given for the development of the dams there, within the agreement signed between the World Bank and the Government, 2.5 per cent of the money generated from electricity was to be ploughed back to that area for its development. It was to be invested in schools, health centres, roads and so on. We need electricity in most of the areas because electricity is a self-employment developer.

Mr. Deputy Speaker, Sir, we would also like to request the Treasury to provide the STABEX funds. The STABEX funds which were supposed to help the farmers in the coffee, cotton, sugarcane and livestock development sector have been stuck somewhere. We need the money to be provided so that this time, it could help the farmers. We know earlier on, it was impossible to do so because the KANU Government was a bottomless hole and the country---

Mr. Deputy Speaker: Your time is up!

The Assistant Minister for Agriculture and Livestock Development (Mr. Munyao): Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. Omamba: Mr. Deputy Speaker, Sir---

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

Mr. Deputy Speaker: Order, Mr. Maore!

Mr. Omamba: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Budget Speech.

Dr. Godana: On a point of order, Mr. Deputy Speaker, Sir. I respect the Chair very much having been on that seat for five years. But I thought we have established a convention in this House that so long as there are Members who want to speak, it is a see-saw between the Government side and the Opposition side. Are you establishing new traditions now?

An hon. Member: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! That point of order is directed to the Chair. Could you let the Chair handle it? The Chair has discretion and, therefore, I give it to Mr. Omamba.

Mr. Omamba: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to contribute to this Budget Speech. The Speech was very much comprehensive and welcome. I only wish to comment on the agricultural sector.

Western Kenya was sidelined in the Minister's Speech. We have cash crops like sugarcane

and cotton and I did not hear the Minister talk about the problems facing sugarcane growers. No prices were considered and this has been a continuous war for a long time. Ginneries in Western Kenya have collapsed and then we depend on importing *mitumba* clothes from foreign countries. It is shameful for our people that even our school children wear *mitumba*. This is a regrettable situation.

Mr. Deputy Speaker, Sir, I am a Member of the Departmental Committee on Administration, National Security and Local Authorities. We flew over the flooded areas of Western Kenya. The water covered the whole place. If that water could be harvested on the upper side, it could be used for irrigation during the dry periods and more food could be produced. It is negligence and being one-sided. The Minister for Agriculture and Livestock Development, who comes from Nandi District, is concentrating more on dairy factories in other places and does not consider home first. That is discrimination.

Mr. Temporary Speaker, Sir, I happened to visit Israel during the last tenure of Parliament and saw many dams. It is a semi-desert but electricity is all over the country. You cannot differentiate day and night. During the night, there is light all over. Where does it come from? Do they import it from the United Kingdom? They build dams to make water falls to generate electricity. We have plenty of water from Buja, Nyando and Yala rivers, which are not considered at all. Those are the resources that the Minister could have put in place.

Mr. Deputy Speaker, Sir, I would like to talk about fish. Although we have the smaller part of Lake Victoria in our country, the fish is not little. The fish comes under the water. They come from Tanzania and Uganda. We have got plenty of fish in our area. In Migori District, where I come from, the Asians are running the fish industries, as the people along the lake just observe. I did not hear the Minister say that net prices will be brought down. This could allow---

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

Mr. Deputy Speaker: Order, Mr. Omamba! There is a point of order!

Dr. Galgalo: Mr. Deputy Speaker, Sir, the idea behind Members discussing the Budget is to give fresh ideas to the Minister for Finance. The Minister and his Assistant Minister are not here. Are we doing any meaningful discussion without those two people?

Mr. Deputy Speaker: That is noted, but that does not stop the debate from going on. Let us continue, but it is a matter to note.

Mr. Omamba: Thank you, Mr. Deputy Speaker, Sir, for supporting me. That is because, even in churches, we must remind them. If new ideas are not implemented, what happens? We have to remind them. So, thank you very much for supporting me.

So, with regard to the fishing industry, the nets should be imported duty-free, so that more people could fish. They can catch more fish, get money and also eat it. They will get fat and take their children to school. When you eat fish you become brainy. That is why people from Western Province are so brainy. So, we need to eat more fish. That will also eradicate poverty.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, along with that, I hear about the Kenya Meat Commission (KMC). In Migori, around the Makore mining area, we have a ground which was earmarked for the KMC. The KMC is far away from western Kenya. Why can we not have another KMC around that area, so that, we can get skins and hides? Now, we import shoes from outside. There are no more shoes from Limuru. I used to buy shoes from Limuru. Nowadays, we do not see the Limuru shoes. Instead, we have shoes from China and other countries. It is shameful. Finally, I

support the Minister, but he should consider raw materials from western Kenya.

Thank you very much.

Mr. H. M. Mohammed: Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii. Nasimama hapa kuunga mkono Hoja hii ambayo ni muhimu sana. Nampongeza Waziri wa Fedha, ingawa haonekani hapa, kwa kuwasilisha Hoja hii ambayo inazingatia mambo muhimu ya nchi ya Kenya. Tunajua ya kwamba Serikali hii imekuwa uongozini kwa miezi sita. Tunajua kuwa mtoto wa miezi sita ni mchanga sana na anahitaji kujifunza kupumua na kugeuka, na hata bado hajaanza kukaa chini. Haitakuwa haki kwetu kuanza kulaumu--

(Power failure in the Chamber)

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! Due to power failure, the House shall be adjourned for 15 minutes.

*(The House adjourned temporarily
due to power failure)*

(The House resumed after Power was restored)

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! The House is in session; please, proceed.

(Loud consultations)

Order, hon. Members! The break was necessitated by the blackout we had, and the standby generator could not pick up to provide light. So, we took a break. It was not a result of lack of quorum.

Mr. Khamasi: On a point of order, Mr. Temporary Deputy Speaker, Sir. You remember a while ago, I raised this issue about electricity failure in this Chamber. The Chair ruled that he was going to make sure that, at least, something is done so that when electricity is off, the generator automatically comes on. It, however, appears that nothing has happened since then. Would I be in order to request the Chair to explain to this Chamber what has happened since I raised this matter?

The Temporary Deputy Speaker (Mr. Poghisio): You are very much in order, Mr. Khamasi. I was present at the time you raised the matter and it has been raised more than once. The process of tendering was done and Parliament is in the process of buying a new standby generator, and it is just a matter of time. Recently, there was a statement that tenders are suspended; otherwise, Parliament has gone ahead and gone through the process of tendering, and we are just about to get a new generator. I am adding my voice from the Chair, that this process be done very quickly so that we have a generator soon. I am going to push from the Chair, as much as you have raised the matter, that this process be done very fast so that we do not have these embarrassing situations from time to time.

QUORUM

Dr. Galgalo: On a point of order, Mr. Temporary Deputy Speaker, Sir. If you look around, this House is almost empty, especially on the Government side. I think they are busy celebrating the bloating of the Cabinet. We do not have a quorum.

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! I can see there is no quorum. I will order the Division Bell be rung for five minutes.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! We have quorum now. Order, Mr. Ojode; order!

Proceed, Mr. H. M. Mohamed.

H. M. Mohamed: Bw. Naibu Spika wa Muda---

*(Mr. Wanjala entered the Chamber
without bowing to the Chair)*

The Temporary Deputy Speaker (Mr. Poghisio): Order! Order, hon. Members. Mr. Wanjala, go back there and bow.

An hon. Member: He has no manners!

*(Mr. Wanjala proceeded to the
Bar and bowed to the Chair)*

Mr. H. M. Mohamed: Asante sana, Bw. Naibu Spika wa Muda. Nilipoanza kuzungumza, ndio hao watu wakazima stima. Ubaguzi huanza hapa kwa sababu wanajua kwetu hakuna stima. Wanaona hakuna haja ya kuniachia nafasi nizungumze.

Bw. Naibu Spika wa Muda, ninampongeza Waziri kwa kuleta makisio ambayo yanaonekana ni muhimu sana na yanayoweza kubadilisha maisha ya wananchi wa Kenya. Kwa hakika, sisi kama viongozi wa nchi hii, na hasa upande wa Upinzani, siasa yetu si ya kutukana watu, kutupa mawe au kuharibu nchi hii. Serikali hii imeanza mieza sita iliyopita; bado ni changa, na inahitaji kupewa wakati na wananchi wa Kenya. Tukianza kulaumu Serikali sasa na kazi yao haijaonekana, itakuwa ni makosa.

Kwa hivyo, inafaa Serikali ipewe nafasi itekeleze sera zake za makadirio ya mapato na matumizi ya pesa ya mwaka wa 2003/2004, na yale ya miaka itakayofuata. Hapo ndipo tutajua iwapo Serikali itakuwa imetekeleza ahadi zake kwa Wakenya.

Bw. Naibu Spika wa Muda, kinachoshangaza ni tabia ya Mawaziri wa Serikali, na wasipojirekebisha sisi kama taifa tutarudi nyuma. Kila ninapotizama habari katika runinga, sioni taarifa za maana kutoka kwa Mawaziri isipokuwa kuilaumu Serikali iliyopita ya KANU kwa uporaji wa mali ya umma na mambo mengine. Je, ni nani amewaambia Mawaziri wazungumze juu ya KANU? Wananchi wa Kenya walikikataa chama cha KANU na kukitupilia mbali katika uchaguzi uliopita. Wananchi wanatarajia Serikali ya sasa iwape huduma; hawataki kujua mambo ya KANU. Kwa hivyo, Mawaziri wakome kuzungumza kuhusu KANU. Chama cha KANU hakipo tena mamlakani. Wananchi walikikataa chama hicho, na utawala wake umekoma. Sasa ni zamu ya Serikali ya sasa kutueleza sera na mipango yake kwa taifa hili.

(Applause)

Kilicho muhimu zaidi kwa nchi hii ni maslahi ya wananchi. Kwa hivyo, ni lazima tutafute njia ya kuinua hali ya maisha yao. Njia moja ya kufikia lengo hilo ni kutafuta mbinu za kuhifadhi maji tuliyonayo na kuyatumia kikamilifu ili tuzalisha chakula cha kutosha. Wakati mmoja nilikuwa Waziri wa mipango ya maji, na nilifikiri ya kwamba ule ulikuwa wakati mzuri wa kuifanya nchi hii kuwa nzuri. Wakati huo nilipata nafasi ya kutembelea nchi ambazo hazipati mvua ya kutosha, na ambazo ni jangwa kuliko Kenya. Nilitembelea nchi kadhaa katika Mashariki ya Kati, Bara Asia, na kwingineko. Katika ziara hizo, nilifahamu kwamba wakilinganishwa na watu wa mataifa mengine, Wakenya hawakuwa na

shida; hakukuwa na haja Wakenya kuletewa msaada wa mahindi kutoka Marekani.

Kwa mfano, maji yanayotumiwa kunyunyizia maji mashamba nchini Misri hutoka Kenya. Nchi hiyo huyatumia maji hayo kikamilifu. Hakuna hata tone moja la maji hayo huingia baharini. Katika nchi hii, wakati wa msimu wa mvua, wakazi wa Wilaya ya Tana River na wale wa Mikoa ya Nyanza na Magharibi hupata shida ya mafuriko. Maji huwa mengi zaidi na huharibu mali na kuua watu. Ninafikiri kwamba umefika wakati wa Serikali kutafuta njia ya kuisimamia vyema mipango ya maji ili wananchi wawe na maji ya kuinyweshwa mifugo yao, kunyunyizia mashamba na kunywa. Tukifanya hivyo, Serikali haitakuwa na jukumu la kuwalisha wananchi. Udongo wa nchi hii una rutuba; kinachohitajika ni maji peke yake.

Bw. Naibu Spika wa Muda, sasa ningependa kugusia sekta ya uchukuzi. Licha ya kwamba Kenya imekuwa huru kwa miaka 40 sasa, hali ya barabara ni ya kusikitisha.

The Temporary Deputy Speaker (Mr. Poghisio): Order! Mr. H.M. Mohamed, your time is up.

Mr. H.M. Mohamed: Bw. Naibu Spika wa Muda, kwa hayo machache, ninaiunga mkono Hoja hii.

*[The Temporary Deputy Speaker
(Mr. Poghisio) left the Chair]*

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

The Assistant Minister for Environment, Natural Resources and Wildlife (Prof. Maathai): Mr. Temporary Deputy Speaker, Sir, I thank you very much for this opportunity. I would like to join my colleagues in congratulating the Minister for Finance for coming up with a very well thought-out Budget. I have several points I would like to make. I will be very brief on each of them, so that I can finish within the available time.

The Government has been consistently propagating its policy of zero-tolerance to corruption. This policy has also been mentioned in the Budget speech. It is extremely important for us to combat corruption because if not checked, the vice can render our efforts useless. You recall that in the year 2000, we launched a campaign for our external national debts to be cancelled. Most of the times, we were not listened to. We were told that corruption in this country was so rampant that even if our external debts were to be forgiven, the poor people in this country would not benefit. That campaign has not yet died out; it is still on. We should continue appealing to our donors to cancel these debts, so that we can begin to recover, especially now that we have a Government which is fully committed to ending corruption. It is very important, therefore, that we not fail to deliver on our promise to eradicate corruption.

Mr. Temporary Deputy Speaker, Sir, I am very grateful to the Minister for the measures he has put in place with a view to reducing the cost of electricity. These measures will save trees. As you know, most of our poor people, especially in urban centres, use charcoal. The higher the cost of electricity, the more people resort to using charcoal. Every hon. Member in this House is aware of some destructive activities in forests in his or her constituency. Sometimes, it is virtually impossible to stop these activities. Charcoal dealers will undertake their activities during the day and night because the demand for charcoal, especially in urban centres, is very high.

Therefore, I would like to encourage the Minister to invest in alternative sources of energy, including solar and wind energy, so as to continue reducing the cost of electricity. I would also like to see investment in energy-saving cooking stoves, especially in our institutions, so as to cut down on the amount of charcoal used. I would further like to appeal to our people generally to develop a culture of

tree planting. My Ministry is going to announce a national tree planting day, so that people can prepare tree seedlings.

Although we encourage them to plant trees all the time, it will be very exciting to have one day when all of us know that we should be planting trees. This will stop soil erosion and encourage our people to grow more food. A hard-working nation must be a healthy nation. A nation that is not well-fed cannot be healthy. Therefore, our capacity to work hard very much depends on our capacity to feed ourselves, and do so with nutritious food. That can only come if we have our fertile top soil. That means that we have to protect our catchment areas. I was happy to see that the Ministry of Environment, Natural Resources and Wildlife has been given adequate attention, including the capacity to protect catchment areas. It is along with that attention that it is very important to ensure that the law which protects river beds is enforced. What this means is that we must restore our agricultural extension officers who ensured that river beds were protected; that there was at least, first, 10 feet on either side of the river so as to protect the river bed. This is extremely important, including planting trees that do not consume too much water, along the river bed.

This would also mean that our chiefs ---

Mr. Sasura: Jambo la nidhamu, Bw. Naibu Spika wa Muda. Ni sawa kwa mhe. Mbunge kukalia kiti cha kiongozi wa Shughuli za Serikali Bungeni?

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Wanjala! You are sitting in the wrong place.

(Mr. Wanjala sat on the Bench reserved for the Leader of Government Business)

(Loud consultations)

Just proceed Professor!

The Assistant Minister for Environment, Natural Resources and Wildlife (Prof. Maathai): Mr. Temporary Deputy Speaker, Sir, I hope I will recover that minute.

I was stating how important it is for us to ensure the protection of the river beds, and that chiefs have power and capacity to ensure that people do not cultivate right up to the river. This is a very serious matter. There is a law, but it is not being followed, partly because our agricultural extension officers are no longer working. This must be restored.

I also want to say that the Minister can reduce the budget on stationery if we created a culture throughout the Government system where papers are used on both sides. Here in Parliament and everywhere in the Ministries, we only use one side of the paper and the other is left blank, literally wasted. This is a great waste and it contributes to the continued destruction of trees which are thrown into the waste paper basket.

(Applause)

I would also like to say that I was happy to see the attention that was given to the co-operative movement, especially for the cash crops and the farmers. I think it is a shame that our farmers have been converted into slaves, where they work very hard but do not get anything due for their labour. We hope that the Minister will continue paying attention to this.

I would like to call on the Minister to ensure that in the Ministry of Gender, Sports, Culture and Social Services, that culture is given adequate attention. Usually, the Minister for Gender, Sports, Culture and Social Services ends up being the Minister for sports and culture is not given enough attention. I want to emphasise that a people without a culture are slaves, and that we must re-discover ourselves through our culture so as to build a strong and confident nation. I cannot emphasise this

enough because this is something that was deliberately destroyed during colonialism and we have yet to give our cultures adequate attention. I hope the Ministry will receive enough money.

I would like to say that it is very important for us to support the military and generally the security sector. However, I believe that it is important to have these assessed and evaluated by an independent body; a body that is going to ensure that the money we spend in the military is used accountably; that what we buy in the Ministry is both needed and is used for the purpose intended. A lot of money goes into the security system and because there is a lot of secrecy, sometimes necessary, it is absolutely necessary that we have a body that covers that, ensuring that the money is being used properly.

I would like to ask the Minister to encourage philanthropy in this country rather than Harambee; that people who are willing and are able to give donations, especially towards development projects, should receive tax deductions. They should be allowed tax exemptions on money that they give for development. This would be good and accountable because at least we would know who is giving and to where, and would be rewarded through tax exemptions on such money.

I would like to see sawmillers, especially the big sawmillers in this country, contribute more towards the rehabilitation of our country, especially the forests. Forests have literally been destroyed, mostly by foreign companies. People have enriched themselves with our forests, yet they put so little back. We continue to pump a lot of taxpayers' money into our forests, only to offer---

The Temporary Deputy Speaker (Mr. Khamasi): Order! Your time is up!

The Assistant Minister for Environment, Natural Resources and Wildlife (Prof. Maathai): I have another minute. I would like to see water harvesting---

The Temporary Deputy Speaker (Mr. Khamasi): Order, Professor! Time up!

Mr. Maore: Mr. Temporary Deputy Speaker, Sir, I will say a few kind words about this Budget. First, I would like to complain about the amount of space that was used during the Financial Statement for heaping blame and lamenting about what the NARC Government inherited from KANU. When they were running around the country soliciting for votes, they knew what they were going to get. It is not news because they were bringing change; part of the change is to start working, delivering and serving Kenyans.

One of the worst manners they have inherited from the previous regime and they have perfected it, is the art of having outriders or what you call "chase cars."

(Applause)

In the previous regime, we only had the vice-President and one other Minister with the chase cars. Today, we have a minimum of four Ministers. Now, if you start having criminals in the Cabinet who fear people within six months of the existence of a Government, how much are they going to cost the taxpayers by the end of five years?

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has imputed improper motives on four Cabinet Ministers. Would I be in order to ask him to substantiate and tell us the names of the four Ministers who have got outriders?

Mr. Maore: He knows very well, his Minister is one of them; Dr. Murungaru, the Vice-President and Prof. Saitoti. I do not know what he wants. If you follow the same rhetoric that I am advancing, you will find that you will have problems if you want to bring change and you do not work towards achieving it.

Two, on the issue of Government contracts, I applaud the Minister for firing some people. I do not know why he left out the officers in the Kenya Revenue Authority who are also under his Ministry. I believe they are the richest public servants in this country. We all know it, and we know that they

live beyond their means. We want the issue of contracts to be addressed afresh.

Forty years after Independence, it is not fair to have a lot of local wealth transplanted annually by contractors who are not indigenous. Without sounding racist, you will agree with me that many of the lucrative contracts that have been awarded before, and even now, are not to indigenous Kenyans. Anytime there is an attempt to investigate these people, they take out all the money and we are left with nothing. We want a fresh attempt to Africanise the economy. Even though we are looking for direct foreign investment in order to boost growth and industrialisation in this country, we would want a deliberate attempt to empower our people to participate in the economy of the country. You do not do it by giving to the Wahindi all the lucrative contracts and insinuating that Africans are not able to meet the requirements. How would they meet those requirements if they are never given the opportunity? You will be able to find only three who have been doing all the contracts in the last ten to 15 years. So, we need a fresh thinking so that we open the way for new participants in contracts and any other Government business.

Mr. Temporary Deputy Speaker, Sir, another surprise in the Budget was the way the Police Department was handled. We would wish to plead with the Minister for Finance to look afresh into the Police Department. There is need to look into their welfare, salaries and conditions of service. You will agree with me that the people you entrust with guns to guard you, if you pay them nothing, at night they are the ones responsible for the terrorism we are experiencing in Nairobi. As we talk now, the District Commissioner (DC) of Thika is minus his finger, because he was bitten by an administration police officer (AP) who used to guard him and duplicated the key to his house. He would drive hon. Machage during the day, but at night he would travel to Kericho to steal from his house. If we want to have a safe country, the best group to take care of are the teachers and policemen. We would wish to negotiate during the Committee Stage, to see whether it is possible to remove Kshs 200 million from the Kshs400 million meant for the Prisons Department and give it to the Police Department.

Another issue, Mr. Temporary Deputy Speaker, Sir, is that of free and compulsory primary education. While we welcome the decision to introduce free and compulsory primary education, let us not have the Government behaving irresponsibly. From today's media, Meru North has the highest number of new enrolments in the country, standing at 29,000. In the past, we have been having a shortfall of over 400 teachers. Now you can imagine how the situation is! We have a situation where a class of 120 pupils has one teacher. If these pupils are given an assignment, it takes their teacher two hours to mark it. So, in essence that is all they would learn in a day. We are, therefore, asking the Ministry of Education, Science and Technology to come up with methods to make sure that the free and compulsory education is successful. Just pumping money and not availing enough teachers is not enough.

Lastly, Mr. Temporary Deputy Speaker, Sir, I would be very surprised to see people inherit a Government and a stable country and then ruin it. I would like to ask my colleagues from the Government side, especially the Assistant Minister from the Office of Justice and Constitutional Affairs and the people in that Ministry, to watch the Cable News Network (CNN). They need to look at what has happened in Sierra Leone, Ivory Coast, Rwanda, Congo, and Somalia. Those are the countries that need a Justice and Truth Commission; not Kenya. I say this because they know very well that I have no interest to declare. Some of us have better records than they have. If you revisit the issue of ethnic clashes, the Akiwumi Report and police reports are there. All you need to do is to investigate the matter and prosecute the people concerned. If it is Goldenberg, there is an inquiry. All the names are there and one just needs to prosecute those people. There is nothing that is not documented. So what these commissions are trying to do is absolute provocation. How can you provoke people who had power and they lost it, and they are missing it? They know how much impunity was committed. Do not be surprised if they tried to sabotage this Government. It is not going to be a child's play to

have people talking about Truth, Justice and Reconciliation Commission, which should not be there. Kenyans cannot take the joke of having somebody who has been out of this country for 25 years chairing a task force that is supposed to hear the views of the public on this matter. He cannot pretend to know what Kenyans need!

(Applause)

Mr. Temporary Deputy Speaker, Sir, I was in America from 1989 to 1991, and I used to read very eloquent stories by the same chairman. He has been very passionate on issues of this country, but he should be asked whether Kenya is like Zaire, Rwanda, Burundi, Sierra Leone, or Ivory Coast. It is not! We want the NARC Government to succeed by delivering on their promises, and one of those promises is not causing a war in this country.

(Applause)

If you look at the people shouting loudest about how we need change, some of them--- I know one of the Ministers who has served the four administrations; the colonial government as a senior officer; the Kenyatta regime as a very top public servant; the Moi regime as an Assistant Minister, and now he is a Minister in the Kibaki Government. It is such kind of records we need. We do not want them to start shouting themselves hoarse about how they are passionate about change.

Thank you, Mr. Temporary Deputy Speaker, Sir. I beg to support.

The Member for Amagoro (Mr. Ojaamongson): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. For the sake of those who do not know me, I am hon. Sospeter Odekia Ojaamongson, the Member of Parliament for Amagoro, Teso District, Western Province. I clearly represent the Teso community in this Parliament.

The Temporary Deputy Speaker (Mr. Khamasi): Can you state whether this is your maiden speech, Mr. Ojaamongson?

The Member for Amagoro (Mr. Ojaamongson): This is my maiden speech, Mr. Temporary Deputy Speaker, Sir.

(Applause)

Mr. Temporary Deputy Speaker, Sir, concerning the Budget, I fully support it, and I would like to comment on education. As much as the NARC Government is saying that it is providing free and compulsory primary education, we would like most education activities to be harmonized on the ground. Even in the previous regime, we have had so many students who have gone through school, but have not been able to secure admissions into institutions of higher learning. For example, we have students who have completed O-Level, but unfortunately the school administration or the headmaster or headmistress has retained their certificates. As a result, they have been unable to proceed to institutions of higher learning. We also have students in polytechnics and universities who have gone through the education system, but they have been unable to get their certificates, and they have been able unable to pursue further studies such as Masters or PhD. This is a very big problem in our country. I personally come from an area which has very bright students. They can pass exams with "As", even after attending school for only half a year. These students are unable to clear their school fees balances.

There is no contrast between the Kenya National Examinations Council (KNEC) and the Ministry of Education, Science and Technology. Examinations are administered by the KNEC, and students pay their exam fees to the KNEC, but it is the Ministry of Education, Science and

Technology, through its officials, who detain their certificates. We want a policy in the education system to ensure that the moment you have a contract with the KNEC, you are given your certificate. Let the Ministry of Education, Science and Technology use other ways to get any fee balances that any pupil or student owes them. That is a very painful issue in our society.

Mr. Temporary Deputy Speaker, Sir, regarding development, this is a very good Budget. I have seen that the Minister for Finance has assured all Kenyans that they are going to see development, regardless of whether they voted for NARC, KANU or FORD (P). This is a very good step forward, because in the previous regime, politicians used to tell us that we would not get development if we did not vote for KANU. I suffered a lot. For over 12 years I could not secure even a clerical job. I suffered a lot. For over 12 years, I could not even secure a clerical job and yet I was a highly educated person in my society.

An hon. Member: Pole sana!

The Member for Amagoro (Mr. Ojaamongson): It is okay. Nimepokea pole zako. This was just because the employment policy of the former Government was so rigid. So, you will find that there were other Kenyans who could contribute very positively to our economy, but they were denied these opportunities. I am very happy that the NARC Government has opted to be open. It will provide development opportunities to all areas and I will also say that development is a right of every Kenyan. The NARC Government collects taxes from Kenyans, obtains loans and grants on behalf of Kenyans from foreign organisations and foreign governments, and it should use them to develop our country. I will praise the NARC Government for making this bold and positive step.

Mr. Temporary Deputy Speaker, Sir, the Minister mentioned about affordable alcoholic beverages in his Budget Speech. When 99 per cent of our Kenyans cannot afford to drink a Tusker Malt beer which costs Kshs60, I see this policy statement as being misplaced when the Minister talked of affordable alcoholic beverages. So, you will find that 99 per cent of our Kenyan population cannot afford these commercial brews that we talk of.

Mr. Temporary Deputy Speaker, Sir, it is also very unfortunate that in areas where communities have held traditional brews in high esteem, this Government is not giving them encouragement. This is because I know the value of the traditional brews in our various communities, especially as a person who comes from Western Kenya. Indeed, 99 per cent of our people cannot afford these commercial brews, but at the same time the Government is cracking down on traditional brews just because some few misplaced people from Central Kenya drink gasoline or this aeroplane fuel. A few people in Kiambu District and, maybe, Dandora have opted to take some funny drinks. You cannot just ban all drinks throughout the country.

Mr. Temporary Deputy Speaker, Sir, I was in a District Development Committee (DDC) in my constituency and the District Commissioner was trying to justify why traditional brews have been banned in the country, but this is a very popular drink in my area. It is a source of entertainment and whenever---

The Temporary Deputy Speaker (Mr. Khamasi): Which beer is this?

An hon. Member: It is *Keroche*!

The Member for Amagoro (Mr. Ojaamongson): It is not *Keroche*. We do not drink such spirits. It is *busaa*. They are actually the fermented ones. So, the fermented drinks are very popular in my place for entertainment purposes and they are also drunk during ceremonies. You will find that now that we do not have a very stable tax system, especially in terms of hospitals, we have occasions where a family can be attacked by evil spirits and these evil spirits cannot respond to these commercial brews.

(Laughter)

The evil spirits only respond to *busaa* and the other traditionally fermented brews. So, you will find that we are doing a lot of disservice to our people on the ground. I will ask the Minister of State, Office of the President, in charge of Provincial Administration, hon. Dr. Murungaru, to try to check on his police. This is because the only thing the police do on the ground is to raid people's homes who possess jerricans of *busaa* or *chang'aa* and accuse them of possessing these drinks, instead of maintaining security. As a result, they extort money from the public. I will appeal to the Minister to take care of this issue because what made KANU lose power was because it was not responding to the people's needs on the ground. If the NARC Government follows suit, I am sorry since it will be very unpopular in a few years and KANU will throw it out. I, personally, was a KANU member, and I will not be afraid to join them.

(Laughter)

So, I am trying to emphasise that the NARC Government should make laws for the common good of our people.

Mr. Temporary Deputy Speaker, Sir, in the telecommunications sector, Kenya Broadcasting Corporation (KBC) has had a monopoly for a very long time. It was very funny yesterday when the Assistant Minister for Information and Tourism was answering a Question, and she said that if KBC is to expand, it requires a lot of money. I would like to say that we, in Teso District in Western Province, do not receive the KBC TV signals, and if it is not ready to provide these signals, the Ministry concerned should move very fast to ensure that these other private stations are given the leeway to instal equipment there so that my constituents and Kenyans all over the country can be able to watch news.

Mr. Temporary Deputy Speaker, Sir, I will also speak on the management of public funds. As much as the NARC Government might be sending funds down and looking for this money, the Minister for Finance who happens to head the Treasury, which is the home of corruption--- I am very happy that the first move he made was to sack the supplies officers. However, he left out their accomplices who are the accountants and auditors. I would urge the Minister for Finance, if he is to safeguard these public finances, to go ahead and even sack the accountants and auditors, to show them that he is in charge and then make them re-apply the way he has done to the supplies officers.

Mr. Temporary Deputy Speaker, Sir, you will find that money can be sent to a district and the Member of Parliament of that area does not know that the money has been sent there. It is only the head of the department who knows. Nobody knows the way he spends it and then he makes the returns back to the Treasury. So, it is just a movement of money from the Treasury to the accountants and then back. People do not receive value for the money supplied to the ground by the Government. I personally have a problem in my district and I appeal to the Minister concerned to carry out a reshuffle of accountants and auditors in my district. I will very much appreciate if he does this.

Mr. Temporary Deputy Speaker, Sir, I will also touch on the public transport. In his Budget Speech, the Minister said that he is going to streamline its operations.

The Temporary Deputy Speaker (Mr. Khamasi): Mr Ojaamongson, your time is up.

The Member for Amagoro (Mr. Ojaamongson): Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to support the Budget Speech.

Mr. Muturi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to say one or two things about the Budget Speech. While thanking the Minister for the various measures that he announced in the Budget Speech, I feel duty-bound to address the question of this fixation with history. There is so much history that we seem to forget that we have work ahead. Indeed, it is because of this fixation with history that in areas like tourism we appear lost right now for what to do primarily. because I think we have assumed that we can only get tourists from our

traditional markets of Europe and North America.

Mr. Temporary Deputy Speaker, Sir, I would have expected that as we deal with the issue of the current trends in the tourism sector, measures would have been spelt out to show how our Government intends to tackle the question of exploring new tourist areas, from where we can get more tourists than we had in the past. Up to now, we do not seem to have a proper tourist representative in an important country such as South Korea. It is a country, as indicated in the Budget speech, where we have a lot to learn.

Mr. Temporary Deputy Speaker, Sir, I do appreciate that free primary school education is a good move. Indeed, we all welcome it, but I would like to add my voice to those who have said that it is not enough to just tell parents to take their children to school. It is important that we must engage in knowing what pupils go to get in schools. For six months down the road, we have not had a statement regarding any increment in the number of teachers. We do appreciate that there has been the problem of their salaries. I laud the Minister for Finance for having given the teachers something to smile about in the Budget. But it is important that we appreciate that there are not enough teachers in the country. Indeed, the worst hit areas are the Arid and Semi-Arid Lands (ASAL) areas. It is in these areas where a number of teachers from the better endowed areas always look for excuses to refuse to go to work there, and as a result the deficit in the number of teachers continues to impact on the quality of education in the ASAL areas. It is a matter that requires some attention, and we hope some corrective action will be taken.

Mr. Temporary Deputy Speaker, Sir, I need not to gainsay that we have also never missed an opportunity to talk about the intention to create 500,000 jobs per year. But it is noteworthy that we are halfway this year. Nobody can actually say that halfway down the road we have created 250,000 jobs, although we do appreciate what has happened today. The Government has created a few jobs; five or so, within the cabinet.

(Laughter)

Perhaps, that is an example of how they intend to create the 500,000 jobs a year. If that is the way, one cannot help, but to laugh at the set target.

Mr. Temporary Deputy Speaker, Sir, when we talk about the tourism industry, currently, one cannot avoid to talk about insecurity or security in the country. We cannot just talk about security of those who visit this country. We must address the issue of security for our own people. Right now, there is not any tangible evidence that actually shows that we are safer than we were six months ago. If anything, almost on a daily basis, we read or hear of stories about armed robberies, even within the City. In fact, I dare say that insecurity has actually increased. Therefore, we cannot really--- My message is that we cannot just talk about security of the people who intend to visit our country. They also read stories about the insecurity of our citizens! What security are we talking about? We need to address the issue of security in this country much more soberly and avoid making populist statements that may only excite a few political supporters in the streets, when, indeed, we are doing nothing tangible to secure our people.

Mr. Temporary Deputy Speaker, Sir, I want to talk about what has been said to have been inherited by the NARC Government from the previous regime. The NARC Government says that it inherited empty coffers. The 2002/2003 Financial Year ends on 30th June this year, and the best evidence to show Kenyans that the NARC Government inherited empty coffers is the number of the new limousines that have been bought in the last six months. The NARC Government must address its capacity for its appetite for consumption, which seems to be insatiable and too high. We would want to plead with the Government to appreciate that we all know that the economy of this country is not doing well. The best way of showing Kenyans that the NARC Government is actually concerned

about the state of the economy is by also trying to live within its means. But, surely, when the Government buys so many limousines, it is not actually showing Kenyans that it inherited empty coffers.

The Minister for Finance (Mr. Mwiraria): On a point of order, Mr. Temporary Deputy Speaker, Sir. I have a new limousine, but it was bought by the previous regime. Many of the new vehicles that Ministers are using were bought by the previous regime. So, what is the hon. Member talking about?

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, I was actually going to say that I am happy with the Minister for Finance, because he has retained the old KAL 910H limousine, which was being used by the previous Minister for Finance. I was going to urge him to try to reign in his colleagues to appreciate that their colleagues whom they took over from had not been trotting in the streets on foot. They were moving around in vehicles. They should not throw away those vehicles.

The Assistant Minister for Home Affairs (Dr. Machage): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to continue talking about limousines when he knows very well that even I, an Assistant Minister, have no official vehicle?

Mr. Muturi: Mr. Temporary Deputy Speaker, Sir, as you may have noticed, I never talked about junior Ministers. I was talking about Cabinet Ministers.

However, to conclude, I would like to commend the Minister for Finance for having made one very cardinal observation; that, we must never allow ourselves to live in history. That appears on page 45 of his Budget Speech. My message would be: Let us heed his words; let us not live in history. Let us not be captives of our past. We should know that we have a job at hand and we must do it to the best of our abilities, so as to improve the lot of our people.

With those few remarks, I beg to support.

Mr. Muite: Thank you, Mr. Temporary Deputy Speaker, Sir. In supporting this Budget Speech and congratulating the Minister for Finance, I would like to say that the Minister has been radical and innovative. The objective of this Budget is to resuscitate economic growth.

When you want to get the economy of a country going again, you must not worry about a budget deficit. You want to encourage productivity, manufacturing and consumption in order to get the economy going again. Therefore, we must not, as a nation, at this point in time, worry about the budget deficit. Even big economies like the United States of America (USA) or Japan, at a time of economic slowdown, have encouraged the growth of the budget deficits, in order to get strategies that will get the economies of their countries growing again. So, bridging the budget deficit should not be one of the priorities whatsoever, until the economy gets growing. When the economy is resuscitated, is growing and there is productivity, that is the time to address the issue of bridging the budget deficit.

Therefore, one of the areas where I think the Minister fell short of being consistent is in failing to reduce the cost of mobile telephones. In fact, he increased it. That is an error and I would urge the Minister to re-look into the issue. We want to make mobile telephones available to everybody in Kenya. Mobile telephones should not just be available to the middle class people and those who have got money. Our hawkers, people in the matatu industry and women in the market places must be able to afford the cost of airtime. So, that is an issue that needs to be looked into.

One other issue that I hope the Minister will be consistent about is the implementation of strategies to reduce the cost of energy in this country. We must bring down the cost of energy if the economy of our country will pick up again. For example, 50 per cent of the cost of manufacturing cement in this country is electricity. That is why it is cheaper to import cement from Europe to Kenya, and sell it at a lower price than the locally produced cement. So, a way of seriously and aggressively reducing the cost of electricity in this country must be implemented, so that the cost of irrigating coffee, horticulture and floriculture can come down. That will also reduce the cost of manufacturing goods. There is an urgent need for the cost of electricity to come down very drastically,

even for the consumers.

Mr. Temporary Deputy Speaker, Sir, there are two areas which the Minister has not tapped in terms of bringing in a lot of income. One area is to aggressively recover the looted money from the public coffers. The Government is not being vindictive here. It should adopt *quasi*-amnesty, so that it can declare that in the next 12 months, those who return looted public funds, whether it is from the National Hospital Insurance Fund (NHIF), the National Social Security Fund (NSSF), the Treasury or the Central Bank of Kenya, will be given *quasi*-amnesty. The Government should come out very boldly and say that, if one returns the money within the next 12 months, no questions will be asked. You will not be prosecuted and the matter will be regarded as closed. But the money must be returned. We do not want to be told not to talk about history. That is not history. That is current because that money belongs to the public.

I suspect that in terms of estimates, if the Government was to adopt a strategy like that one, it will, in the next 12 months, bring in to the Exchequer a minimum of Kshs200 billion. Those are public funds which are currently in the pockets of a few individuals. That is an area which the Government can exploit, to bring in money, help economic growth and bring down the budget deficit.

The other area which needs to be tapped by this Government is tourism. Kenya has been a victim of terrorism twice. When the American Embassy in Nairobi was attacked by terrorists, it was Kenyans who ended up dying. The majority of the people who died in the bomb blast were Kenyans and not Americans. Yet, it was America that was the target. Recently, we had a bomb blast in Mombasa and, again, it is Kenyans who died, yet the target were the Israelis. We, as a nation, are under-selling ourselves. If you look at Pakistan, you will find that the minute America wanted to use Pakistan, which is a nuclear power, Pakistan placed her interests ahead of everything else. Pakistan told America that if she wanted her assistance, it was going to cost US\$2 billion, and Pakistan got the money. If you look at Turkey, you will find that when America wanted to use her in order to get to Iraq, Turkey said that the cost is so much. It would appear that all Kenya is interested in as a nation, is to look good to the Americans and the British. We do not ask them to pay, and yet, when you look at the cost we have to pay, you will find that our tourism sector is about to collapse. Who is making our tourism sector collapse? It is the Americans and the British.

Mr. Speaker, Sir, before we deal with the Americans and the British any further, we should tell them that for the last 5 years, they have been the cause of our loss of income and we want a cheque for the amount lost. Until today, we are told that we must enact some funny deals like Anti-terrorism. Who is it going to benefit; Kenya or the British people? This Government should sit down, calculate, go boldly and assertively, and tell them the cause--- I dare say that if you want to tell them that they owe us a lot of money, go and tell them that we want a billion US Dollars if we are to continue associating with them. Do not just come and enact everything that you are told.

Mr. Temporary Deputy Speaker, Sir, I beg to support .

Mr. Dahir: Thank you, Mr. Temporary Deputy Speaker, Sir, for this opportunity to contribute to the Budget Speech, which I must say was eloquently delivered by hon. Mwiraria. Mr. Mwiraria is a man I hold in high esteem for his great ability and experience in this area of economic management. This first NARC Government Budget, indeed, is disappointing because it has some glaring shortcomings. It strikes one from the word go as a Budget tailored for the rich and not for the poor. This is not a Budget for the poor and low income earners who, unfortunately, form the bulk of our population. Here is a Budget that appears to redress the perceived wrongs committed against the middle class and the elite entrepreneurs, I must say. Why do I say this? It is because there is no evidence of any approach to push forward the poverty eradication campaigns.

Mr Temporary Deputy Speaker, Sir, my comments will broadly cover agriculture, other sectors of the economy, education and security. Agriculture is the engine of our economy. The

NARC Government has pledged to create over 500,000 jobs every year. This is unlikely to happen, unless agriculture is revived. When agriculture is revived, it is just not coffee, as is in Mr. David Mwiraria's Budget. Coffee is a foreign exchange earner. Our people do not eat coffee. It is only logical that we must start from the basics, and here, we are talking about the needs of and self-sufficiency in food production. It saddens me to hear that my fellow Kenyans are dying of starvation in this country. Contrary to what the Minister has said at public fora, people in the northern parts of Kenya and other marginalised areas have shortcomings in terms of food. How does the Government hope to create jobs when, at the same time, it is exporting jobs?

Mr. Temporary Deputy Speaker (Mr. Khamasi): Order Mr. Dahir! I get the impression that you are reading. If you have to refer to your notes, just quote the reference.

Mr. Dahir: Thank you, Mr. Temporary Deputy Speaker, Sir. Recently, the Minister for Finance lifted the tax on macadamia nuts. Is that creating jobs? That was exporting jobs to India. I must say that we were very wrong there. On the issue of security, it seems that there is a lot of insecurity in Kenya. Instead of allocating millions of shillings to address the issue of insecurity, the Minister has allocated Kshs300 million to the police and Kshs400 million to the Ministry of Home Affairs. Are we condoning insecurity by trying to create a conducive environment for the prisoners in jails or are we trying to control the issue of insecurity?

As the Shadow Minister for Trade and Industry, I will be keenly watching my NARC counterpart on certain issues and support any positive measures for the good of our country. Let us take advantage of the windows of opportunity to boost trade. We are quite happy about the issue of trying to bring down the level of the capital needed by banks in the sense that we will be having many indigenous banks coming up. I commend Mr. Mwiraria for that.

Mr. Temporary Deputy Speaker, Sir, on the issue of increasing price of airtime of mobile phones, I must say this is a great oversight. I do support Mr. Muite when he said that instead of reducing airtime, the Minister is creating a lot of problems in terms of communications. You are very well aware that getting a landline is not easy because of the inefficiency in the telecommunications sector. That is an area where we have definitely gone wrong.

However, I support the spirit of the entire Budget.

Mr. Muchiri: Mr. Temporary Deputy Speaker, Sir, first of all, I want to congratulate the Minister for Finance for stipulating that we will buy back the KCC. The residents of Nyandarua and all those milk producing areas are very much overwhelmed by that statement because we are unable to sell our milk and we are out of the cash economy. Since we are out of the cash economy, it means that we cannot even have money to contribute to the VAT and all these other taxes that the Minister has alluded to.

We know that the KCC was bought by the KCC 2000 at a price of only Kshs400 million when its value was over Kshs2 billion. I think the Minister should also have stated that we just need to take back the KCC. The issue of buying it does not arise. I do not know at how much they bought the KCC and how they did it. We are happy that, the KCC will revert back to the farmers very soon. I want to add my voice to the issue of mobile phones. I think the Minister did not do Kenyans a lot of good concerning that issue. Mobile phones are no longer a status symbol of the rich. They are now being used by people from all over the country including our mothers at home because we cannot access landlines.

Telkom Kenya has failed Kenyans because wherever their services are available, Kenyans are unable to access them. There is a lot of theft involved when using the Telkom services. If you have a landline you will find them giving you exorbitant bills. Therefore, mobile phones have now become substitutes for telephone services in this country. I would have loved to hear that the Ministry will only increase the taxes on mobile phones maybe by 2.5 per cent, to make it 7.5 per cent instead of 10 per cent.

Mr. Temporary Deputy Speaker, Sir, I am happy that the Minister will reduce the core capital

in establishing banks, as it was stated, from Kshs500 million to Kshs250 million for banks and from Kshs350 million to 200 million for financial institutions. Kenyans are not happy when banks continue to collapse, because they collapse with our money. I personally lost money in some of these banks and I know that the reason why Kenyans lose money in those banks is because of poor management.

These banks are not being managed by nameless people. There is no reason why we should hear that the Euro Bank or any other bank has lost money for Kenyans because this money has gone into peoples pockets. Kenyans are not interested at all in the prosecutions that are going on. Kenyans are interested in their money being returned. I want the Minister for Justice and Constitutional Affairs to hear this. We want that money returned because it has not gone to a bottomless pit that the Government cannot reach. We want those people who have been managing those banks to be followed because as much as we would like to establish as many banks as possible, we also do not want these banks to be the conduit for money that Kenyans have earned in a very hard way. I am, therefore, proposing that the Central Bank of Kenya be a bit tighter in trying to manage the banks so that we do not have these kinds of menaces.

The Minister also talked of non-performing loans, but sometimes I wonder because I belong to the learned profession. Why do banks choose only a few people to value properties when they are giving loans? Why do they discriminate whereas we have about 300 valuers in this country? Some banks choose particular valuers to value their properties when they are giving loans. It is because of such discriminatory attitudes that you find that some of those securities are misvalued, because the trained valuers are not given a very good deal. The banks short-list a few valuers and the rest are left out. Therefore, they get opinions that are not spread out. They talk of the big firms and they forget that these big firms are the ones employing the new professionals. Therefore, their opinions are not as old as they may seem to be. I am, therefore, calling upon the Central Bank and the Minister to ensure that there are no such discriminatory practices as far as valuation services are concerned. We have the Valuers Act (Cap.532) which is being violated with impunity by the banks because of short-listing favourite valuers, who they would like to give the jobs.

Mr. Temporary Deputy Speaker, Sir, I am happy that the Minister was able to increase the LATF money by 25 per cent. I must also say that the LATF money is not being used properly. The LATF money must be audited by the Ministry of Local Government. While I am on that point, I would like to say that the councillors of this country must be considered. Their salaries need to be reviewed. I hope that the councillors will get more money because they are the politicians at the grassroots level. They are the people who manage the affairs of this country at that policy level on the ground. I would like to request the Minister to provide more money to the Ministry of Local Government. I would be happier if the councillors were like the civil servants. Instead of being paid by their respective county councils, they should be like civil servants. Some county councils are not able to pay them and they sometimes go without salaries.

Mr. Temporary Deputy Speaker, Sir, the corporate world where many of us came from did not get a good deal from the Minister. The corporate world is overtaxed. The Government should also consider the fact that the private sector contributes a lot of money in form of taxes to the Exchequer. Therefore, I would have expected the Minister to reduce the corporate tax. If the private firms are not given the encouragement, the Government will not create the 500,000 jobs promised Kenyans. I would have expected the Minister to reduce the corporate tax by 25 or 26 per cent. That would have made things better in the private sector.

Mr. Temporary Deputy Speaker, Sir, may I also congratulate the Minister for allocating more money to free primary education. However, this money will not be enough to pay a watchman's salary, electricity and water bills. So, when this money is allocated, I think some of these areas should be given more money. For example, the Ministry allocates Kshs600 for the rent of the post office mail box. The post office charges Kshs3,000. Where will they get the difference and yet they are not

allowed to reallocate one budget item to the other? I hope the Minister for Education, Science and Technology is in this House and he will be able to correct this situation.

Mr. Temporary Deputy Speaker, Sir, the Minister allocated more capital to the Civil Service. Some of this money will be used to pay teachers their contentious salary award. That is a good gesture. May I also inform the Minister through the Chair that the pension system in the Civil Service is very discriminatory. It is sad that all the subordinate staff in the Civil Service are not pensionable. We would like them to be included in the pension scheme.

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

Dr. Manduku: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Budget. I listened to it with a lot of keenness. It was best read and it took at least one hour more than the previous Budget Speeches. That did not mean that the Minister was not able to read, but he wanted us to understand what he was reading. I commend him for whatever he proposed to do for this country.

As we all know, this country had been run down by poor economic management and corruption. If you go to the villages and see how people dress, you will know that this country is poor. In the 1980s our people were better off. They dressed decently and they had a bright future. If you go to the villages you will wonder what happened to our country. The Budget Speech gave some hope to Kenyans. We hope that after five years, our people will look different from what they are now.

Mr. Temporary Deputy Speaker, Sir, this country has many intelligent people, but because of poor remuneration and poverty, many of our professionals have left for greener pastures in other countries. On the issue of creating jobs, the Government should think of creating jobs from those small cadre of people who will turn round the economy of this country. I am a doctor and I know the problem we have in the medical profession. Kenya is training a lot of doctors year in, year out, but most of them leave the country for greener pastures. They run out of this country after acquiring experience and knowledge, simply because we cannot pay them well. Therefore, I would urge the Minister to come up with some incentives that will encourage doctors and other professionals who have left this country to come back. This is the only way we can stop brain drain in this country. This country has the potential, but it appears as if it has been drained by a few people in authority. Therefore, let us support the Minister in his efforts to turn round our economy, to enable us develop our own country. This country has not had any civil war, but a country like Uganda which has experienced civil wars for over 20 years has overtaken us economically. It means there is something missing. I think we are now on track and let us do things in the right way.

Mr. Temporary Deputy Speaker, Sir, I must talk about the HIV/AIDS pandemic. This is a problem which is draining our people. It is clearing the educated people or the learned people simply because the Government is not taking it seriously. For example, when the HIV/AIDS pandemic was discovered in Uganda, the Government went out to teach the people about it and they were not ashamed. If you go to Uganda today, which we were laughing at some years ago, it is stable and her people are able to come back to work and run their country simply because the Government got interested. We want the Government to be interested in clearing out the HIV/AIDS pandemic. The HIV/AIDS pandemic is not something very strange. It is a disease like any other disease. By the way, malaria kills more than the HIV/AIDS pandemic does, but we are not talking about it. We are not fighting it. We should fight the HIV/AIDS pandemic. We should not assume that the HIV/AIDS pandemic is not treatable; the HIV/AIDS pandemic is treatable. What is to be treated? If we can stabilise our life, then we are treated.

Mr. Temporary Deputy Speaker, Sir, how many men and women live with diabetics in this country from early childhood until they are very old? This is simply because they control it. We can control the HIV/AIDS pandemic. We have got anti-retroviral drugs which people think are costly to this country, but they are very cheap in the rest of the world. They could be introduced to our people

so that those who have tested positive could use them and continue with their normal lives. Of course, the people should also be advised that they should be careful not to continue transmitting the HIV/AIDS. But the Government needs to come out to teach our people on how to handle this matter.

Mr. Temporary Deputy Speaker, Sir, Kenya is an agricultural country and our economy is controlled by agriculture. The Government should give a lot of support to the farmers. Many speakers have said that the Minister did not focus on the farmers in Western Kenya. He was focusing on the coffee farmers who are from these areas here. But we, in Western Kenya, have the potential of sugarcane. Nobody talked about sugarcane. We need our sugarcane, tea and pyrethrum growers to be supported. For example, my constituency is a pyrethrum growing area and we have not received anything to subsidise on the losses the farmers are incurring there. Therefore, we want to ask the Minister to focus on and support the farmers.

We do not have gold or oil in this country. The only natural resource we have got is rain which God has given us in plenty. God has also given us some areas with good soil and we should exploit those resources.

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

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

Mr. Temporary Deputy Speaker, Sir, many roads in agricultural areas are extremely bad because of the rains. For example, if I go to Kisii now, I cannot reach my constituency because there are no roads. How then does the Government expect farmers who have picked their tea leaves to deliver it to the factory? Sometimes, the vehicles that carry tea leaves stay on the road for two to three days. By the time they reach the factory, the tea leaves have been destroyed, so they put it in the "mortuary". They have got mortuaries in the tea factories. If you go there, you will find that those "mortuaries" have got more tea leaves than the one that is in the factory. This is a big loss to the farmers. So, we want to ask the Minister for Finance, and the Minister for Public works and Housing to make sure that those agricultural areas have got good murramed roads. I do not think if we asked that we should have tarmacked roads in some of our areas, we will be asking for too much. We will be justified. For example, my constituency is a potential area for maize, tea, coffee and pyrethrum, yet we have never seen even one kilometre of tarmac road. But we still try to get our crops into the market. As we are contributing to the economy of this country, the Government should subsidise us. It should come and help us in that area.

Mr. Temporary Deputy Speaker, Sir, another problem we are encountering in most of those areas is insecurity. These days, villagers fear visiting other villagers at late hours simply because there is a lot of insecurity. We want to ask the Government to put machinery in place so that the security in those areas is improved. Of course, we understand the problem facing our security personnel. If you look at the salary of a policeman; a Form Four graduate who has come out as an inspector, you will be surprised. We expect him to survive and work for 24 hours. Do we then expect him not to ask for *kitu kidogo* on the way? It is not possible. We are the ones who are encouraging the policemen to demand for *kitu kidogo*. We should have given them the *kitu kikubwa* so that they do not ask for *kitu kidogo*. But we should commend them because they are doing a good job. So, the Minister should look at their remunerations and make sure that they are properly paid. The Administration Police (APs) are also underpaid, but they are doing good work in those villages. Therefore, security should

be looked into so that as we are developing, we know we have the support of the security personnel.

Of late, I have noticed that when maize is ready in the farms, some youngmen come in the night and harvest it. It is then taken to the towns to be sold. We fear to go to the farms in the night to stop them from doing that. They are a security risk and if you go to your farm, you will be killed. I would request that the police intensify their patrols to make sure that both the farmers and their produce in the farms are secure.

With those few remarks, I beg to support.

Mr. Obwocha: On a point of order, Mr. Temporary Deputy Speaker, Sir. For the short time I have stayed here, are you satisfied that there is a Government Minister listening to this contribution to be able to reply? Where is the Minister for Finance or his deputy? Who is the Government Minister listening to the contributions of hon. Members? Are you satisfied that there is somebody in the Government listening to these contributions?

The Assistant Minister for Home Affairs (Dr. Machage): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to insinuate that there is no Minister in this House? There is a Minister in this House.

The Temporary Deputy Speaker (Mr. Poghiso): Order! Order, Mr. Assistant Minister! I also do not believe that just by being there as an Assistant Minister equals the Minister working. The issue at hand had been raised before. But I just needed to tell the hon. Members that it is true. While you do not see the Minister here, the officers are there, but also, the Minister is not far from here. He is actually at the back here. But that does not mean the Ministers are not working. The whole thing about Ministers being present--- As the Assistant Minister is trying to defend his colleagues, where are they?

(Applause)

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

First of all, I would like to thank the Minister for the manner in which he presented the Budget with a lot of stamina and with some positive announcements, especially in the area of education. He has come up with a Budget that we hope will help many children who would otherwise not be able to go to school to access education. That is a very good thing.

However, he forgot to pay special attention to those of us from the disadvantaged areas. All he has given us is what we have always been receiving. We urge them to pay a little bit more attention to us in the next Budget, because our children are more disadvantaged than those from other parts of the country.

Mr. Temporary Deputy Speaker, Sir, with regard to agriculture, the Minister has made several important announcements which will help the agricultural sector grow further. He has also made announcements that will attract more investors in our country, and we are happy about that. He has also reiterated the Government's commitment to fighting corruption, which has been the biggest cancer that has eaten into our economy. For that, we thank him.

But there are certain areas where the Minister needed to do more homework. I have heard some of his colleagues urging him that it is okay to have a budget deficit. It is not okay. It is a problem. People should learn to live within their means. Our NARC brothers promised Kenyans that we were going to live within our means. In fact, they said that the money they are going to raise will be enough, so long as all the loopholes that have been leading to theft of public funds and corruption are sealed. They said Kenya would have enough money and there would be no need for a deficit, or to depend on borrowed money for running our Government. What has happened is that they inherited a budget deficit of Kshs20 billion, and in six months, that deficit has shot up to over Kshs60

billion. By any standards, that is too ambitious. We do not need to have that kind of deficit.

Mr. Temporary Deputy Speaker, Sir, from what we see, it appears that the deficit is to fund things like new limousines and other fuel guzzlers. Why do we need them? They guzzle public funds. Why do Ministers need to ride in those big mercedes benzes and four-wheel drive vehicles? We thought that, under the NARC Government, that trend would change. Yes, in fact it has changed. It has changed for the worst as far as that is concerned! It beats logic because, here we are telling Kenyans that we have empty coffers and yet, you have the appetite to spend more on unnecessary projects.

Mr. Temporary Deputy Speaker, Sir, the health sector got a raw deal from the Minister. Mr. Mwiraria is a very clever man. He has used words to mislead the country that one of the sectors that will get good funding is the Ministry of Health. He has not given an extra penny to the Ministry. He gave Kshs200 million to fight Severe Acute Respiratory Syndrome (SARS). To me, that is fire-fighting and is not about provision of health. SARS is a phenomenon which has just come up. That is money which will, probably, go into peoples' pockets because it is for surveillance. Some paltry Kshs300million extra has been set aside for the provision of drugs. That is peanuts! One would have expected the Minister to give an extra Kshs5 billion to the Ministry of Health, so that, it would be able to finance provision of healthcare to Kenyans. A nation that is unable to provide healthcare to its citizens, however hardworking those people are, will have no progress. The Ministry of Health is a very important health service provider to the people and, as a start, the Minister should have given, at least, Kshs5 billion extra to that Ministry, and not an extra Kshs500 million. That is nothing.

Mr. Temporary Deputy speaker, Sir, those of us who come from the arid areas get a raw deal. I heard a colleague of mine saying here that the Minister hoodwinked us when he talked of the Arid Land Resource Management Programme which has been in place. He found that money had already been allocated to that project when he was appointed the Minister for Finance. We wanted the Minister for Finance to include proposals in the Budget he read in this House aimed at reviving the Kenya Meat Commission (KMC) and open up our arid areas for irrigation. If the KMC is revived and irrigation is practised in North Eastern Province, this will help alleviate the poverty afflicting our people. The Minister should not tell us that we were allocated Kshs750 million in the Budget. This amount of money was not allocated to the arid areas by the Treasury but was negotiated outside the Treasury. This project has been going on for quite sometime. The Government has created the Ministry of Livestock Production and Development, and I hope that, that is a sign that things will change for the better. We pray that the Ministry is allocated enough funds so that it can help our region, which is disadvantaged, to be at par with the rest of the country.

On roads, one of the most important roads in this country is the Isiolo-Moyale Road which connects Kenya and Ethiopia. That road is impassable right now. If that road was tarmacked, it would open up a 70 million people market in the Horn of Africa. As a result, industrial products from this country would be exported to that region. If that road had been tarmacked, it would have enabled the people of that region to access the Port of Mombasa and they would have paid a lot of money to our country. If that road is tarmacked, it will benefit not only the people of northern Kenya, but will also contribute greatly to the economy of this country.

Mr. Temporary Deputy Speaker, Sir, I hope that the Minister will pay more attention to security. One wonders whether we are serious about the security of our people when the Minister for Finance allocated only Kshs300 million to the police force in the Budget. Last week but one, a landmine exploded when a Land Rover passed over it in Moyale Constituency. This is the case, and yet this Government is unable to clear that landmine from the road. We do not have the facilities to clear landmines from our roads. Those are the areas we need to concentrate on. We should pay attention to the security of our people.

On employment, we can see that the Government has some vacancies, but those are not the

jobs which the NARC promised Kenyans during the campaigns. The half a million jobs are not the appointments of board chairmen and new Cabinet Ministers. The NARC Government promised Kenyans that there will only be 15 Ministries, but the number of Ministries has almost doubled now. All these Ministers will guzzle public funds on their limousines and extravagant foreign trips. We would like to see a serious commitment on the part of the Government in the creation of half a million jobs per year in this country. There is always talk about creating the half a million jobs per year, but where are they?

After 100 days in power, His Excellency the President said that they had managed to create 7,000 jobs. This is the case and yet NARC promised Kenyans during the campaigns that when it came to power it would create half a million jobs per year. If in a quarter of a year the Government creates 7,000 jobs, it means that after one year, it will only manage to create 28,000 jobs, and yet it promised to create half a million jobs per year during the campaigns. Where will these jobs come from? The Government should tell us where these employment opportunities will come from and start creating them. Empty rhetoric will not help. Kenyans do not feed on words.

I will say with a light touch that hon. Members in NARC are good at talking. During the election period, they pirated two popular songs. They sang, danced and made Kenyans to sing and dance along with them. The NARC is now in power and cannot continue to sing and dance. This Government ought to perform and create the half a million jobs which it promised Kenyans. If the Government thinks that all that is required is to talk, it will be in for a rude shock.

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

Mr. Bifwoli: Thank you Mr. Temporary Deputy Speaker, Sir. I would like to thank the Minister for Finance for the perfect Budget. I have been reading budgets outside this Parliament but, I had the privilege of being in Parliament at the time the Budget was excellently presented.

I would also like to thank the Minister for putting the teachers and the civil servants' requests in the Budget. The teachers sent me last weekend. They said that if there will be any discussion touching on their salaries, I should thank the Minister on their behalf. I am therefore, thanking the Minister for thinking positively about the teachers and the civil servants.

I am happy to note that our colleagues on the KANU side are conceding that we wanted power because they were unable to rule. It is time we stopped reminding them of their mistakes, because Kenyans saw their mistakes and sacked them. They were sacked because they were wrong. They are correcting us and it is good to listen; we are talking of creating 500,000 jobs and how many have been created by the Government to date? They are many but, they are not seen and we, therefore, want to say that every Minister should account for the jobs created in his or her Ministry. This information should be availed to the public so that they can see the Government is doing something. If we are doing nothing, then we must accept and move forward.

As for the Ministry of Agriculture, I feel that the Budget favoured it, particularly the coffee sector. Although sugar was taken care of, maize which is the backbone of the food sector was not. I have read the Budget and not seen anywhere where fertilizer, maize and cereal seeds have been exempted from tax.

An hon. Member: Fertilizer is free.

Mr. Bifwoli: I am told that fertilizer is free, but I want to tell the hon. Member that I always buy fertilizer at Ksh1,200 a bag. I don't know if that is what is called free.

(Applause)

If paying Kshs1,200 for a bag of fertilizer is free, then I do not know what buying is.

The Minister for Transport and Communications (Mr. Michuki): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to confuse the merchant pricing

with taxation?

Mr. Bifwoli: Mr. Temporary Deputy Speaker, Sir, I am a farmer and a buyer, and I need to be lectured to know the difference between a merchant and the tax. Mine is to buy, and the Government has every reason to control the merchants and stop them from exploiting the farmers in this country.

We are the Government and I am saying that the prices of fertilizers should be controlled. Let them not leave Indians to exploit us. If prices of agricultural inputs are controlled, we would improve in farming and people would have food in their granaries. The idea of inflation will not be there, because if I have food, even if I walk naked, it is not important. What is important is what is in my stomach and not what I am wearing.

We must thank the Government for its education policy. The NARC Government has done wonders by providing free primary education. They have also done well by providing new salaries for teachers, but we want quality education. For 100 or 200 children to attend one class and be taught by one teacher is like having a *baraza*. These children are not going to attend to politicians. They are going for quality education. Quality education should not be compromised by the Government's free education policy.

I would like to be clear that I am not criticising the Government, but rather proposing that it employs new teachers with a view to halving the current teacher to pupil ratio. In my career as a teacher, the biggest class I ever taught had 60 students. I went home the other day and thought that I should go to the school in the locality and teach; I found a class of 200 pupils. I asked: "Is this a *baraza* or a church service?", and I was told: "No, it is a class." So, we are begging the Government to employ more teachers.

Mr. Temporary Deputy Speaker, Sir, if we have to improve this country's economy and create jobs, the money allocated to the Ministry of Roads, Public Works and Housing could be properly used if it was allocated to constituencies. If the development of this country is going to be constituency-based, and not district-based, even the little money that you allocate to the constituencies, Bw. Waziri is---

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Bifwoli! Address the Chair.

Mr. Bifwoli: I will, Sir.

Mr. Temporary Deputy Speaker, Sir, even the money that is allocated for the maintenance of roads in the constituencies is not being used for that job; it is being used for bush clearing. So, if the money that is allocated to the Ministry of Roads, Public Works and Housing could be controlled at the constituency level, it would do some good work. In saying so, I do not mean that Members of Parliament should control monies allocated to roads in the constituencies; I mean to say that a committee at the constituency level should be mandated to control such money.

For instance, with regard to the funds provided under the Local Authorities Transfer Fund (LATF), I am not in agreement that those funds should be given to councillors to walk around with, looking for the roads to repair. The money does not belong to them. What I am saying is that funds should be allocated to wards and put into bank accounts. The signatories to those accounts should be members of committees comprising of the local people. The committees should determine the projects to be undertaken. I am sure that if we spend the money allocated to the Ministry of Roads, Public Works and Housing in this manner, we will develop this country.

As it is now, we put money meant for road maintenance under the care of people who are not properly remunerated and then when they pocket it, we accuse them. Councillors are the most underpaid lot in Kenya. How can you give somebody who earns a monthly salary of Kshs7,000 some Kshs300,000 to walk around with and expect him not to use part of it? Subsequently, that person is blamed for misusing the money entrusted to him. Let us improve the salary of councillors and put the LAFT funds under the management of committees instead of individuals.

Mr. Temporary Deputy Speaker, Sir, I would like to propose that, in future, tax on any

equipment meant for the improvement of electricity supply in this country should be zero-rated. If we do this, the cost of electricity will come down so that every household can access it. Thereafter, the Government may resume taxation of such equipment. As of now, electricity is so expensive. Even if the main power line is only a kilometre from your house, you cannot have electricity brought to your house. You will require to raise Kshs2 million to do so. Our people do not have money. How are they going to access electricity?

Another area which should be given priority is the Ministry of Co-operative Development. It is only through the co-operative spirit that people can come together and do something meaningful. We will not eradicate poverty if we do not form co-operative societies, so that we can access cheap loans and do business. However, if tax is charged on co-operative societies funds, members will shun putting their money in the societies and opt to use it to buy livestock.

If I buy a cow, and it gives birth to four calves, I will be avoiding tax. If I join other people who have cows and we form a co-operative society, the proceeds from our cows will attract tax. That way, our people will not grow rich. So, the proceeds from co-operative societies should not be subjected to taxation, as is the case now. In future, the Minister for Finance may introduce a very small tax on this sector.

Finally, I wish to talk on looters. It is very difficult to say that people are going to stop stealing if you cannot punish the thieves who stole yesterday. If you have a son and you tell him that if he steals vegetables you will beat him, and your other son called Wafula stole yesterday and you did not beat him, your son will wonder why you would punish him for stealing tomorrow while you not punished his brother, Wafula, for stealing yesterday. People who have stolen in this country are known and I do not know why we want to appoint committees to look into---

The Temporary Deputy Speaker (Mr. Poghiso): Order! Your time is up!

Mr. Bifwoli: Mr. Temporary Deputy Speaker, Sir, I support and this is the best Budget that I have ever seen. Congratulations for your Speech. Keep it up!

The Temporary Deputy Speaker (Mr. Poghiso): Order, now! Mr. Wario!

Mr. Wario: Bw. Naibu Spika wa Muda, nitasema kwamba hii Bajeti hainufaishi maskini, mfanyi biashara wala viwanda katika nchi hii. Nitasema, hii Bajeti ni Bajeti popo; si ndege si mnyama. Hii Bajeti hurewarewa.

Tulihudhuria warsha katika chuo kimoja hapa na tukafundishwa kwamba ile sehemu tuliokuwa tukitegemea kwa mazao ya nchi hii imechoka. Sasa Serikali ina mpango makhususi wa kubadilisha na kuelekea upande ambao ulikuwa hautegemewi kwa mazao ya Taifa hili, hasa sehemu kame. Nilifikiri mara hii Bajeti itaangazia sehemu hizo. Tukifufua miradi ya kilimo na ya kunyunyizia maji mashamba katika ardhi ambayo haizalishi chochote, hii itaongeza mapato ya Taifa hili.

Ninasikitika kwa sababu ninatoka sehemu ambayo mazao ya pamba yako kwa wingi katika Kenya. Ninasikitika kwa kuwa mradi huo hata haujaguzwa. Vipi sisi tutaweza kuupunguza umasikini nchini wakati tunazipeleka fikira zetu zote mahali mimea ya kahawa ipo? Kwani hamna kitu kingine tunachoweza kuzalisha kama mapato kwa Taifa hili, mpaka tutafute kuna sehemu ngapi za kahawa katika nchi ya Kenya? Na, ni kahawa pekee ndiyo itakayosimamisha uchumi wa nchi hii? Kwa nini tusiangalie sehemu nyingine? Hili ni sikitiko!

Juzi tulichezewa shere wakati wa Hotuba ya Bajeti. Tuliambiwa kuwa kuna Kshs750 milioni kwa sehemu kame. Kuna wilaya 15 katika sehemu hii ya nchi. Hizi si pesa zetu, ni pesa za wafadhili. Je, Waziri anataka kutuambia kwamba, iwapo mashirika kama Benki Kuu ya Dunia na [Mr. Wario] IMF hayatatoa msaada, maisha yatasimamishwa kule kwetu? Hakuna kilichoko katika Bajeti ya Kenya isipokuwa pesa zilizombwa kwa wazungu. Je, sisi sio Wakenya? Watu wa sehemu kame hawana haki kwa Bajeti ya nchi hii? Ni kwa nini watu hawa waachwe mikononi mwa wafadhili?

Bw. Naibu Spika wa Muda, ninashindwa kujua tunataka nini Kenya. Wewe unaona vile hali ya usalama ilivyodhoofika? Juzi, bunduki kadhaa zilipatikana katika Chuo Kikuu cha Nairobi na hivi leo

tumesoma katika magazeti kwamba risasi kadhaa zimepatikana zikiwa na wanafunzi wa shule ya Upili. Ni vipi tutaboresha hali ya usalama wa nchi iwapo hatuboreshi hali ya maisha ya polisi? Kshs3 milioni zilizotolewa si za kuboresha maisha ya polisi. Ni vipi polisi ataangalia usalama iwapo anahakika atalala njaa? Ni vipi polisi atalinda usalama iwapo anajua usiku hana mahali pakwenda kusimamia maisha ya jamii yake? Huku ni kuchangia ufasadi. Unawaruhusu polisi wakachukue kitu kidogo kwa sababu yale mapato yao hayawaruhusu kuishi maisha bora. Kila siku wanapigwa risasi na kuuwawa mbele yetu. Polisi ni watoto wetu na lazima Taifa hili liwatambue na liwapatie huduma kama wananchi wengine wowote. Nimeshangaa sana kwa sababu Serikali ya NARC katika harakati yake ya kuomba kura, walijigamba kuwa watatoa nafasi 500,000 za kazi. Ukiangalia Bajeti, Kifungu baada ya kingine, utasikitika kwani hakuna chochote kilichotengewa nafasi za kazi kwa vijana. Sasa kazi zile walizoahidiwa Wakenya ziko wapi? Wakati wa nyimbo umepita, sasa ni wakati wa shughuli. Lazime uwajibike, lazima ufanye kazi, na lazima upatie vijana nafasi za kazi. Wakati wa kuimba nyimbo umekwisha. Wakenya watatuuliza baada ya hapa, ziko wapi nafasi za kazi? Tuliambiwa yote yawezekana bila Moi! Hewalla, hakuna taabu, iwezekane! Moi hayuko nasi tena!

Bw. Naibu Spika wa Muda, ningependa kugusia mambo ya Ukimwi. Hii ni gharika ya Taifa. Katika hii gharika ya kitaifa, iwapo hatutasimama wima kushughulikia jambo hili, wengi wa watu wetu wataathirika. Raisi wa Taifa alipokuwa upande ambao mimi ninatoka, alisema kuwa inafaa usimamizi wa Janga la Ukimwi uhamishwe kutoka Ofisi ya Raisi, upelekwe katika Wizara ya Afya. Leo yeye ndiye anayesimamia shughuli hizi. Sasa ukweli uko wapi?

Naibu Spika wa Muda, kuhusu ushuru wa VAT, NARC walipokuwa wakifanya kampeni, walisema watapunguza ushuru wa VAT hadi ufike asilimia 15. Leo wamepunguza asilimia 2 tu! Wengi wa Wakenya ni masikini. Iwapo utawawachia kodi ya ushuru wa VAT ya asilimia 16, watajimudu vipi kimaisha? Hii ni kuchezea wananchi shere, na tunasikitikia kwamba Serikali inaseme uwongo.

The Temporary Deputy Speaker (Mr. Poghisio): Rekebisha neno hilo. Omba msamaha kwa kutumia neno "uwongo".

Mr. Wario: Bw. Naibu Spika wa Muda, naliondoa neno "uwongo". Wameshindwa kutekeleza ahadi yao. Nimeliondoa neno hilo.

The Minister for Finance (Mr. Mwiraria): On a point of order, Mr. Temporary Deputy Speaker, Sir. It is customary that once someone uses unparliamentary language, he withdraws it and apologises. Hajaomba msamaha!

Mr. Wario: Bw. Naibu Spika wa Muda, nimeliondoa neno "uwongo" na kuomba msamaha. Lakini Serikali ya NARC imeshindwa kutekeleza ahadi iliyowapa Wakenya. Tukija kwa wafanyikazi wa umma, wao wanahitaji motisha. Kama unaamka siku moja na kufuta kazi watu 2,000, na ile nafasi inabaki bila mtu maalum kisha unachukua Ofisa wa Maendeleo Wilayani (DDO) kufanya kazi ya Afisa wa Ushikizio, huo si ni ufasadi? DDO hajafundishwa kuwa Afisa wa Ushikizio. Na rubuni yoyote inayotolewa katika wilaya ama katika Wizara ya Serikali, inatolewa kwa sababu yule anayeshikilia ofisi ile ni mtu aliyesoma, na anajua kazi yake. Leo wewe umeamua kufuta watu kazi bila ya kujali na unaleta mtu ambaye hahusiani na hiyo kazi. Ni kama kumleta mwalimu awatibu wagonjwa hospitalini! Hatuna kitu cha kusema, haya endeleeni!

Bw. Naibu Spika wa Muda, Kenya Meat Commission (KMC) inadaiwa zaidi ya Kshs2 billion; na leo imetengewa Kshs200 milioni. Hii ni kuwadanganya wafugaji. Chombo hiki kinadaiwa zaidi ya Kshs2 billioni. Tunasema: "Mgalla muuwe, na haki yake umpe".

Leo asubuhi ninaambiwa kuna wizara ya mifugo. Serikali ya NARC imezoea kutupatia maneno matamu na kutotekeleza ahadi zao. Lakini iwapo Serikali ya NARC itaweka Wizara ya Mifugo, basi matatizo mengi yaliyokuwa yakiwakumba wafugaji yatatatuliwa. Njia ya kipekee ya kupunguza umasikini katika sehemu hizo ni iwapo tutaboresha biashara ya mifugo. Na iwapo utatupatia Wizara ya Mifugo, hiyo ni pongezi kwa Serikali, kwa sababu ni mwelekeo mzuri.

Bw. Naibu Spika wa Muda, sera za kutengeneza barabara haziko. Serikali ingefaa kuangalia tumehathirika kiasi gani kuhusu utalii. Ni kwa nini tumehathirika? Ni kwa sababu Waziri fulani alisimama barabarani na akasema: "Kesho asubuhi, Kenya italipuliwa". Sasa kila nchi imeambia watu wao wasije Kenya. Kuna Mbunge fulani alisema ataandikia Serikali ya Amerika imlpe hasara. Si Serikali ya Amerika. Aliye piga porojo hapa na akasema kwamba usalama ni mbaya ni Waziri na ndiye ametuweka katika hali tuko kwa sababu hali ya utalii ikidhohofika, bila shaka nafasi za kazi kwa vijana wetu zitaharibika. Je, Waziri aliyepiga porojo hiyo atachukua wajibu kushughulikia jambo hilo?

Bw. Naibu Spika wa Muda, katika mawasiliano, kwa sababu mimi ninatoka katika wilaya ambapo baada ya miaka 40 tangu tunyakue Uhuru, watoto wetu hawajui taa ya stima ni nini mpaka kufikia siku ya leo. Nasikitika katika Bajeti hii, baada ya miaka 40, sisi hatujapata fursa ya kuona umeme ni nini, mawasiliano ni mbaya na karakana haziko. Ni vigumu kufika Wilaya ya Tana River vile hali ilivyo leo, hasa wakati huu wa mvua.

Bw. Naibu Spika wa Muda, ninamalizia kwa kusema kwamba hii ni Bajeti ya kahawa.

The Minister for Transport and Communications (Mr. Michuki): Mr. Temporary Deputy Speaker, Sir, thank you very much. In the first place, I want to congratulate the Minister for Finance for the very well considered Budget Speech which he presented to this House last Thursday. The Budget itself, undeniably to those who understand it, is a Budget for reconstruction. It is a Budget intended to revive this economy. It has virtually covered every sector of our economy be it agriculture, tourism, security and all aspects of our endeavours.

(A mobile phone rang)

The Temporary Deputy Speaker (Mr. Poghismo): Order, hon. Members. There was a phone ringing somewhere there. Could the hon. Member concerned switch it off, please?

Proceed!

The Minister for Transport and Communications (Mr. Michuki): Mr. Temporary Deputy Speaker, Sir, it is for this reason that I congratulate the Minister because he has set in motion the priority areas that we as a nation should turn our attention to.

Mr. Temporary Deputy Speaker, Sir, I want first of all to point out that the kind of situation we found as a Government is one that requires a great deal of effort and action in order to remove certain distortions, in order to re-organise institutions and set the threshold for further progress. The Kenyan economy is a fairly large economy. Many people do not really realise how lucky they are to be in an economy like this. Let me just quote one example. The imports that go through the port of Mombasa, based on last year's figures amount to 10.5 million tonnes of goods. I can tell you because I am in charge of ports. Out of that tonnage, 8.5 million tonnes go to the Kenyan economy. The Ugandan economy takes about 850,000 tonnes.

The Temporary Deputy Speaker (Mr. Poghismo): Mr. Michuki, you have seven minutes to continue with your contribution this afternoon.

The Minister for Transport and Communications (Mr. Michuki): I am very much obliged.

ADJOURNMENT

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

The House rose at 12.30 p.m.