

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 25th June, 2003

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### ORAL ANSWERS TO QUESTIONS

*Question No.289*

#### SHOOTING OF MR. OLE SITEYIA

**Maj-Gen. Nkaissery** asked the Minister of State, Office of the President:-

- (a) under what circumstances Mr. Jeremiah ole Siteya was shot and his private parts mutilated by the police at Athi River on 20th July, 2002; and,
- (b) what urgent measures the Minister is taking to ensure that investigations and prosecution of this case are done and whether Mr. Siteya has been compensated for injuries sustained and the loss of his body parts.

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The circumstances under which Mr. Jeremiah ole Siteya was shot and his private parts mutilated at Athi River are yet to be established, since he was neither arrested nor has he filled in a P3 form which was issued to him on 17th February, 2003, to facilitate investigations.

(b) The matter is still under investigation, awaiting necessary evidence. The file will be forwarded to the Attorney- General to be able to give advice on compensation, as soon as investigations are concluded.

**Maj-Gen. Nkaissery:** Mr. Deputy Speaker, Sir, this is a very serious matter. It is a year now since this incident took place. Mr. Siteya was shot by police as a result of an order given by District Officer (DO), Athi River, who called for a meeting and instead, of attending the meeting, sent the police officers to go and disperse the peacefully assembled people, who were waiting for him to go and address them. Therefore, the circumstances under which Mr. Siteya was shot, and his private parts completely destroyed, have not been explained by the Government. So, I do not think the Assistant Minister is very serious by saying that this is a matter which is still under investigation. Could he therefore, undertake to give this House a comprehensive answer as soon as possible?

**Mr. Deputy Speaker:** Mr. Assistant Minister, just to assist, how long will it take to carry out this investigation, if, as Maj-Gen. Nkaissery says, it is already a year since the incident took place? Could you respond to his question?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, the person named here, Mr. ole Siteya, was asked to fill a P3 form and, up to date, there are no records to show that he has filled the form to facilitate completion of the investigation.

**Mr. M. Kariuki:** Mr. Deputy Speaker, Sir, if the injury was caused through a discharge of

ammunition from a firearm, it is the easiest thing to investigate. A ballistic expert's report should not take one year. Has the ballistic expert's report been received to establish from which firearm the ammunitions were discharged, that injured this particular person?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, could he ask the question again?

**Mr. Deputy Speaker:** The hon. Member was very clear. Could you ask your question again, Mr. M. Kariuki?

**Mr. M. Kariuki:** Mr. Deputy Speaker, Sir, I hope the Assistant Minister will be attentive. A ballistic expert's report is called for where an injury has been caused through ammunition discharged from a firearm. As we have been told, these people were called to a meeting and there were several police officers at the meeting. If the injury was caused by ammunition discharged from one of the firearms in possession of the policemen, it should not take more than two weeks to have that report ready and establish which policeman had the firearm which discharged the ammunition. Has that report been called for or received? That is the fundamental step in the investigation; to be able to identify the person----

**Mr. Deputy Speaker:** That is enough, Mr. M. Kariuki! Your question has been heard now.

**Mr. Tarus:** Mr. Deputy Speaker, Sir, I will confirm whether that report was forwarded and bring the information.

**Mr. Deputy Speaker:** Mr. Assistant Minister, I think the Chair ought to come in here. When you get an answer from your officers, those are some of the questions you should ask, because it appears that we are wasting a lot of the time of this House through Ministers who come with half-baked answers. The Chair now pleads with the Ministers to, please, cross-examine those officers giving you these answers, so that you come up with viable answers. I defer this Question!

*(Applause)*

*(Question deferred)*

Next Question!

**Mr. Angwenyi:** On a point of order, Mr. Deputy Speaker, Sir. Are you pleading with Ministers to give us proper answers or are you going to demand proper answers, especially for Questions that take two weeks to be answered?

**Mr. Deputy Speaker:** Let what I have done suffice until next time. Mr. Angwenyi, you are the one to ask the next Question!

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

**Mr. Deputy Speaker:** What is the point of order, Mr. Assistant Minister?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, I am not taking the order which you have given, but I had supplementary information which shows that, indeed, investigation had been done. With regard to what hon. M. Kariuki had said, we do not have that particular report regarding the investigation on the firearm that fired the bullet, but we do have information on what has transpired regarding the particular matter since the case came up.

**Mr. Deputy Speaker:** But, Mr. Tarus, surely, are we treating this matter as seriously as it is if it takes over a year to investigate a matter where a policeman is alleged to have shot a civilian? I think not! Please, could you go back and get us a better answer or a complete investigation?

Next Question, Mr. Angwenyi!

*Question No.292*

CONSTRUCTION EQUIPMENT

## FOR KISII DISTRICT

**Mr. Angwenyi** asked  
the Minister for Roads, Public Works and Housing:-

- (a) if he is aware that most equipment for road construction and maintenance in Kisii District is old and unserviceable; and,
- (b) if he could, as a matter of urgency, provide serviceable equipment including a grader, a shovel, a tipper, a roller, a bulldozer and an inspection vehicle to the district to ensure proper and effective road maintenance.

**The Assistant Minister for Roads, Public Works and Housing** (Eng. Toro): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that most of the equipment for construction and maintenance in Kisii District and, indeed, the whole country is old and expensive to maintain.

(b) My Ministry is not in a position to provide serviceable equipment to Kisii District as such equipment is not available. However, my Ministry has requested a number of development partners for support on the provision of basic equipment in the form of complete maintenance units for all districts including Kisii District, but no firm commitments have been given yet.

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, we know that the country's development depends on a proper road network. We also do know that we have got Fuel Levy which has been imposed upon Kenyans to maintain roads in our country. By providing this type of equipment, we will be maintaining our roads. Could the Assistant Minister tell us how much each of the essential equipment costs? How much he has set aside in this Budget to purchase this equipment and provide it to the districts?

**Eng. Toro:** Mr. Deputy Speaker, Sir, the NARC Government and the Ministry of Roads, Public Works and Housing, have realised the mistake that was made by disposing most of the equipment when there was a conception that privatisation of construction works was going to work. Realising that, that was a big mistake, the Ministry is now embarking on equipping all districts with the necessary equipment to carry out maintenance of roads. However, it is every expensive. If I may give the hon. Member the cost that is involved in equipping all the districts with the proper maintenance machinery. It is as follows:-

Mr. Deputy Speaker, Sir, we have carried out an assessment and we found that every district requires a grader and, considering there are 70 districts, the cost of a grader is about Kshs20 million. If we were to purchase graders for all districts, that would be Kshs1.4 billion.

Two, every district also requires a seven-tonne tipper, and each tipper costs Kshs4.2 million. That gives a total of Kshs304 million. Three, every district requires a vibrating roller of seven tonnes and for all the districts, it will come to Kshs490 million. Four, each district requires a wheel loader of 160 HP. Each wheel loader costs Kshs17.5 million and for all the districts, it will cost Kshs1.2 billion. Five, each district requires a bulldozer of 180 HP. Each bulldozer costs Kshs22.5 million and the entire cost will be Kshs1.575 billion. The total for the entire machinery to equip all the districts to carry out the necessary maintenance is almost Kshs5 billion.

Mr. Deputy Speaker, Sir, we have embarked on trying to purchase equipment and, if you look at the Printed Estimates, there is provision for plant and machinery. We will try our best to equip those districts without proper machinery with the required machinery.

**Mr. Munya:** Mr. Deputy Speaker, Sir, how does the Ministry expect to maintain roads if it does not have its own equipment? How are they going to seal loopholes of corruption? When the District Road Maintenance Department is giving out contracts, they spend most of the money like it happened in Tigania East recently. How are they going to streamline the awarding of tenders in the districts to seal those loopholes where most of the money goes to shoddy contractors?

**Eng. Toro:** Mr. Deputy Speaker, Sir, as I said, the mistake of disposing of most of the Ministry's equipment was done when there was that conception that every work should be privatised. But the Ministry has realised that it is not possible to privatise all maintenance works and that it should be equipped to deal with emergency cases and some minor maintenance works. That is why the Ministry is in the process of reviving what used to be the Mechanical Transport and Plant Fund, which was abolished or became inoperational in the 1980s when the concept of privatisation was enhanced. The revival of the Mechanical Transport and Plant Fund will enable the Ministry to purchase equipment, hire it out to other Ministries and the Roads Department at the district. The money realised will buy more machinery so that, in about two years' time, we perceive that the districts will be able to get the necessary machinery.

**Mr. Deputy Speaker:** Hon. Members, we have to start the business of the House in 12 minutes time.

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, the Assistant Minister has said that they have set aside funds and yet in his answer, he says they do not have funds. Could this Ministry graduate from the KANU *mitumba* answers by assuring the people of Kisii District that the first equipment to be bought from the funds which have been set aside will be taken to Kisii District?

**Mr. Poghiso:** On a point of order, Mr. Deputy Speaker, Sir. I do not know whether you heard the hon. Member very clearly when he referred to people here as *mitumba* answers?

**Mr. Deputy Speaker:** Order! Mr. Poghiso, you got it wrong.

**Mr. Poghiso:** Mr. Deputy Speaker, Sir, would I be in order to ask that the hon. Member conducts himself with decorum?

**Mr. Deputy Speaker:** Order! I appreciate what Mr. Poghiso is trying to correct the words "*mitumba* answers", but I do not think he referred to people.

**Mr. Sasura:** On a point of order, Mr. Deputy Speaker, Sir. Does it mean that if an hon. Member refers, for example, to a party in this House in a derogatory manner, it is in order? The KANU Government was giving *mitumba* answers to *mitumba* Questions only.

(Laughter)

**Mr. Deputy Speaker:** Now, Mr. Sasura, you got it right. I think yesterday, from the Chair, I did say that hon. Members should always endeavour to put their cases in a civil and dignified manner. Certainly, saying that the answers were *mitumba* is not dignified. Without wasting a lot of our time, Mr. Angwenyi, withdraw that remark and ask your question.

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, we want this House to be given the respect it deserves and the people of Kenya to be given the answers they deserve. What I am saying is that KANU disbanded---

**Mr. Deputy Speaker:** Order, Mr. Angwenyi!

**Mr. Angwenyi:** Mr. Deputy Speaker, Sir, I beg to withdraw and ask the question afresh. Could the Assistant Minister assure the people of Kisii District that the first equipment to be bought using the funds will be sent to Kisii District?

**Eng. Toro:** Mr. Deputy Speaker, Sir, it is not only Kisii District that does not have the equipment, especially the graders. There are so many districts with graders and equipment that are not functioning. When the machinery will be obtained and graders purchased, Kisii District will be considered along with others.

**Mr. Deputy Speaker:** Very well  
Next Question, Mr. Shitanda!

**Mr. Shitanda:** Mr. Deputy Speaker, Sir, before I ask this Question, I would like to ask for

the indulgence of the Chair. When you look at the Question, there are three parts which are not related to each other. I really do not know what happened between the Clerk's office and the Ministry. I filed three different Questions and they seem to have been lumped together.

**Mr. Deputy Speaker:** You asked three Question and they were numbered "a", "b" and "c"?

**Mr. Shitanda:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Mr. Shitanda, I agree with you. Could we deal with the Question numbered (a)? I agree that there are three Questions which are completely different. I am advised that the best thing to do is to defer the Question, so that, the matter can be sorted out. So, this Question will be deferred with the consent of the Minister and Mr. Shitanda.

**Mr. Shitanda:** I have no problem if the Questions are deferred, so that, they can come one at a time.

**Mr. Deputy Speaker:** We will defer the last two Questions to Thursday, next week, and the first Question to Tuesday, next week.

*Question No.314*

#### PAYMENTS TO M/S CROWN AGENTS

**Mr. Shitanda** asked the Minister for Health:-

- (a) how much money was paid to M/S Crown Agents (UK) for the procurement of drugs in the last two years;
- (b) how many contract tenders were awarded by the Ministry since the Exchequer and Audit (Public Procurement) Regulations 2001 came into effect; and,
- (c) how much money was used by the National Hospital Insurance Fund to construct the office complex at Upper Hill in Nairobi.

*(Question deferred)*

#### QUESTIONS BY PRIVATE NOTICE

**Mr. Deputy Speaker:** Hon. Members, with the indulgence of the House, I want to defer the two Questions by Private Notice to tomorrow. That is because we have some Ministerial Statements which have been sought by Members and have been pending for a long time.

#### REPAIR OF MBANI PRIMARY SCHOOL CLASSROOMS

**(Mr. Ogur)** to ask the Minister for Education, Science and Technology the following Question by Private Notice:-

- (a) Is the Minister aware that over 414 pupils of Mbani Primary School in Kobama Division, Homa Bay District are learning under trees after their classroom roofs were blown off completely by strong winds?
- (b) What is he doing to reconstruct the tuition block as a matter of urgency?

*(Question deferred)*

#### FUNDING OF SURE LINK MEDIA PRODUCTION BY NHIF

**(Mr. Wanjala)** to ask the Minister for Health:-

(a) How much has National Hospital Insurance Fund (NHIF) approved and funded Sure Link Media Production in the campaign against HIV/AIDS scourge?

(b) Could the Minister inform the House why the approval was done without involving the NHIF Board and which other bodies NHIF funded to campaign against HIV/AIDS scourge?

*(Question deferred)*

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

**Mr. Deputy Speaker:** Mr. Obwocha, what is it?

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, I think my point of order has been overtaken by events because I was going to request the Chair to allow part (a) of the Question be replied to because the Minister is here and she is ready. But now, since you have ruled on that--

**Mr. Deputy Speaker:** The Question needs to be separated. She will reply later. The Minister of State, Office of the President has a Statement!

**Mr. Ogur:** On a point of order, Mr. Deputy Speaker, Sir. Is my Question among those that have been deferred to Tuesday afternoon next week?

**Mr. Deputy Speaker:** Your Question has been deferred to tomorrow afternoon. Mr. Wanjala's Question has also been deferred to tomorrow afternoon.

## MINISTERIAL STATEMENTS

### HUMILIATION OF MEMBERS DURING MADARAKA DAY

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, before I read the Statements that I have here, I want to inform the House that the Statement requested by Mr. Sambu will be issued in this House this afternoon. The Statement I am going to read regards the humiliation of Members of Parliament during the Madaraka Day celebrations.

Mr. Deputy Speaker, Sir, on Wednesday 11th June, 2003, Mr. Khamasi requested a Ministerial Statement on the humiliation of Members of Parliament, on 1st June, 2003, during the Madaraka Day celebrations. In that connection, I wish to state the following:

Mr. Deputy Speaker, Sir, first, I wish to sincerely apologise for any embarrassment that may have been caused to any of the hon. Members of this august House. Indeed, when it was brought to my attention that some hon. Members had expressed concern at the reception accorded them on that occasion, I immediately conveyed a written apology to this House, through the Clerk of the National Assembly, on 4th June, 2003. I also gave my assurance that I have instituted investigations into what led to that particular situation. This is, indeed, a serious matter that calls not only for rectification, but also major review.

Mr. Deputy Speaker, Sir, the sitting protocol at State functions is determined on set guidelines, and is generally based on rank, position or responsibility. In the past, the sitting arrangement for Members of Parliament was not specifically designated. However, following the experience during the Madaraka Day celebrations, a specific sitting area shall be designated for Members of Parliament. My office shall liaise with the Office of the Clerk of the National Assembly in streamlining the protocol functions. The protocol officers are obliged to receive courteously, and with due respect, all hon. Members and, indeed, all other guests. I wish, therefore, to appeal to hon.

Members to be patient and rest assured that their presence at State functions is highly valued and complaints raised are being addressed.

Mr. Deputy Speaker, Sir, towards that end, my office is currently reviewing the protocol procedures with a view to improving them. In addition, the Protocol Division has been re-organised and strengthened by engaging additional professional staff. Furthermore, a crash-training programme has been formulated to train all protocol staff beginning 6th July, 2003. I believe the above measures will lead to more efficient and effective performance of the protocol division.

Thank you.

**Mr. Deputy Speaker:** The Assistant Minister has another Statement. I will allow one or two questions.

*(Mr. Sungu interjected)*

Order, Mr. Sungu! When I am talking, you do not talk! I will allow another Statement to be read and then clarification can be sought for the two Statements. Mr. Assistant Minister, issue the other Ministerial Statement!

#### PURCHASE OF NEW PRESIDENTIAL ESCORT VEHICLES

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, on 16th June, 2003, in Kisii Town, Mr. James Omingo Magara questioned the source of funds for 20 new Presidential Mercedes Benz limousines, including the President's official car. He also wanted to know the whereabouts of the fleet that was used during the former President's reign. Further, he said that the current Ministers were high spenders and challenged them to trim their support staff, return some vehicles allocated to them and lead by example, through less luxury. As the Assistant Minister, I wish to respond as follows:-

Mr. Deputy Speaker, Sir, before the NARC Government took over power in January, 2003, the KANU regime had already sought Treasury's approval to purchase and replace some old Presidential fleet vehicles. Funds for replacement of motor vehicles were requisitioned and authority granted before the last general elections. Upon the receipt of the funds, the previous Government placed an order for the purchase of vehicles from abroad. Those vehicles were, however, not delivered by 30th December, 2002, when the new Government assumed office. To date, a number of the vehicles ordered have been received, while the rest are being awaited.

Mr. Deputy Speaker, Sir, I wish to assure this House that, the old fleet of vehicles is still intact and available for use, as and when required, and has not been disposed of in any manner. May I state that the NARC Government is very much aware of the financial constraints facing the country and cannot, therefore, afford to engage in extravagant spending, as claimed by the hon. Member. The Government will endeavour to ensure that the resources under its disposal are utilised very prudently.

Thank you.

**Mr. Khamasi:** Thank you, Mr. Deputy Speaker, Sir. First of all, I would like to express my appreciation for the Ministerial Statement presented to this House by the Assistant Minister. The protocol officers at State House give preference to bogus people, as we saw on 1st June this year. These officers left out the most prominent people of this country, including Mr. ole Ntimama, the Deputy Speaker and the Government Chief Whip. We would like to know why that was the case. If need be, we would like to know the action the Assistant Minister will take against those officers, who deliberately decided to humiliate hon. Members of Parliament. Could we, for a change, make State House appreciate the fact that Ministers can only be appointed after

winning their Parliamentary seats? Ministers do not drop from heaven, but are appointed from hon. Members of Parliament. Therefore, hon. Members should be recognised at State functions. What happened on 1st, June, 2003 should not be allowed to happen again.

**Mr. Deputy Speaker:** Mr. Assistant Minister, I would like you to note the clarification Mr. Khamasi has sought!

Proceed, Mr. Sungu!

**Mr. Sungu:** Thank you, Mr. Deputy Speaker, Sir. While I appreciate the fact that this Government is still young and that we need to put our house in order, may I propose that in order to avoid shame to our country, the Government should come up with a method whereby hon. Members can confirm whether seats are reserved for them at public functions or not, through the Speaker's office or some other officers here in Parliament. I am proposing this because these days we attend State functions with our wives. If this is done, it will make us know the hon. Members who are supposed to attend those functions and whether seats are reserved for them so that we can avoid this kind of shame. This is meant to help the Assistant Minister.

**Mr. N. Nyagah:** Mr. Deputy Speaker, Sir, I would like to get a clarification from the Assistant Minister on the following. Why did the Office of the President write to the Clerk of the National Assembly, and I have a copy of that letter, to the effect that hon. Members of Parliament will be considered alongside other dignitaries? That is not what we are asking for but it has not happened.

We have a role to play in this country. If, indeed, Permanent Secretaries and heads of parastatals have seats reserved for them, then hon. Members of Parliament have a right to have some seats reserved for them during public functions.

*(Applause)*

Could the Ministry stop friends of employees of State House from occupying the dais and other significant places?

**Mr. Deputy Speaker:** Order! That is it!

Mr. Obwocha, seek the last clarification!

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, I was also one of the victims who were humiliated during the Madaraka Day celebrations, but I am not going to venture into it. I would like to deal with the issue of the new vehicles which were purchased by the Government. You have heard the Assistant Minister say that most of these limousines were ordered by the previous Government. That is not enough reason to buy 87 Mercedes Benz cars. So, could we know the number of these limousines which were bought? In fact, the Minister for Finance, who is here, was telling us yesterday that he does not have money. Could the Assistant Minister tell us the measures they will take, or put in place, to reduce the size of vehicle fleets which are moving all over? That is one of the measures that can be taken to reduce the high expenditure.

**Mr. Omingo:** Thank you, Mr. Deputy Speaker, Sir. This was the baby I tried to nurse, and the Government should stand up to be counted. When we talk about reduction of expenditure, we must start leading by examples. We have not heard a single Minister, for example Dr. Kituyi, say that he has reduced the number of telephone lines Mr. Biwott had in his office. Could the Assistant Minister confirm to this nation that they truly inherited empty coffers and yet they are leading a more luxurious life than the previous Ministers? I insist that they are more lavish than those in the previous regime.

**Mr. Deputy Speaker:** Mr. Assistant Minister, you can now respond to all the issues raised by the hon. Members.

**The Assistant Minister, Office of the President (Mr. Tarus):** Mr. Deputy Speaker, Sir, I appreciate the sentiments which have been expressed by the hon. Members. I am glad



that they also concur with me that hon. Members of Parliament are part of the respected leaders of this country and should be accorded respect at national functions. I have discussed this with the officers of the Protocol Division. I have instructed these officers to ensure that during national functions, and any other functions where hon. Members are involved, seats are reserved for them. Secondly, in order to avoid the mistakes which were made in the past, the other organs of the Government, namely the Judiciary and State House, will have representatives to identify and usher in their officers during national functions. I have also requested that we have an officer who works with the National Assembly to identify and assist hon. Members of Parliament during national functions, so that they do not get the problems they have had in the past.

With regard to invitation of strangers or friends of employees of State House to national functions, we have made this complaint and State House officials have promised that this will not happen again. We have also told them that those officers who will be insensitive will be removed from their positions. This is because when I went to the dais during the Madaraka Day celebrations, I found an officer who knew me but he chose to ignore me. So, we will get rid of such insensitive officers.

The sentiments expressed on the need for Ministers to reduce their costs will be conveyed to the relevant Ministry.

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

**Mr. Deputy Speaker:** No! We have already overshot the time by seven minutes! Therefore, the House will today adjourn at 12.37 p.m. so that we can debate the Motion before us for three hours as required.

Let us move on to the next Order!

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

**Mr. Deputy Speaker:** Order! Look at your Order Paper, Mr. Omingo! It says that the next Order should commence not later than 9.30 a.m.

## 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 19.6.2003)*

*(Fourth Day of Budget Debate)*

**The Assistant Minister for Education, Science and Technology** (Mrs. Mugo): Mr. Deputy Speaker, Sir, I would like to contribute to this Motion and support it. First of all, I would like to add my voice to those congratulating the Minister for Finance for giving Kenyans a Budget which gives

hope on economic recovery. This Budget gives Kenyans dignity.

First of all, I would like to appreciate the money allocated to the Ministry of Education, Science and Technology to implement the free primary school education programme. As we all know, education is the cornerstone of any nation. The development of education, or making everybody literate, is the beginning of poverty eradication. It also gives dignity to humanity.

Mr. Deputy Speaker, Sir, the Ministry of Education, Science and Technology is very committed to utilising the money given, especially for the poor Kenyans. While appreciating the money allocated, we would also like to reiterate that the money will not be enough to cover each and every expense of primary school education. I would like to encourage the Members that it is still a community responsibility; education is a partnership between the Government and the community. We must not, at this stage, even kill the spirit of Harambee, because we are still going to need community support to be able to construct enough classrooms for the extra numbers that will go to school.

I would also re-emphasize that all schools at this stage need to be given their title deeds. The importance of title deeds is that we know a lot of school land has been grabbed and this land must be given back and title deeds issued. Otherwise, without space to expand on, there is no way we can be able to absorb extra numbers of pupils who will be going to school now that there is free primary education. On the same note, I would like to request that roads to schools be improved so that the students, teachers and equipment can be delivered to schools. We have some schools and my constituency is an example, in which there are no roads.

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Order! Members, it is in the morning and I ask kindly that we consult quietly. I know there are issues you want to discuss. So, do so quietly, so that we hear the contributions from Members.

**The Assistant Minister for Education, Science and Technology** (Mrs. Mugo): Thank you, Mr. Deputy Speaker, Sir. I was saying that schools must be accessible whether there is rain or not. We also know there are many teachers who are transferred to some schools and they feel that the accessibility of those schools is very difficult. There are instances where they do not report to the schools and this results into a shortage of teachers in some schools while others are over-staffed.

I would like to request that we look into this very carefully, so as to be able to access schools through good roads as well as have houses for the staff. We should be able to provide staff houses. It is also very important for the students that we have enough teachers in every school.

Mr. Deputy speaker, Sir, many schools also lack sanitation facilities and water. There is very big danger of our children contracting water-borne diseases and I think we also need to have more funds availed to the Ministry, so that we can be able to improve sanitation and houses for the staff.

Having said that, we are very concerned about the security of the students. I was amazed to see a girls school closed because there had been breakages three or four times in a very short time. We would like to ask security forces, particularly the officer in charge of security in Kirinyaga District, to make sure that those girls are safe in schools, especially boarding schools. We know students must be safe, but girls are especially vulnerable. I appreciate that the Minister gave security a consideration, but I feel the money allocated to the police is not enough. We must put security at the forefront because, at the moment, there is a lot of insecurity in the country. When we call the police, they have had to tell me that they lack vehicles; so, they cannot access an area with a problem. We need to give the police enough allowances so that they have the apparatus or tools to do their work. Nevertheless, I still feel that the police can pull up their socks and do better than they are doing. There is too much insecurity at the moment throughout the country.

Mr. Deputy Speaker, Sir, on the issue of HIV/AIDS, I would like to commend the Minister

for Health for the way she has gone about making sure that HIV/AIDS will be eradicated. I would especially like to call for arrangements for screening, especially in the poor areas. We know there are many people who do not go for testing, some because they do not want to go but others because the facility is not there. In other cases, they are not aware that if they know their status early, they are able to ease the disease if already infected. I would ask the Minister for Health to make sure that we have screening facilities available, especially in slums, where people are very congested. This disease is known to move very close to poverty and those are the areas where poverty exists. It is also very worrying to read that HIV/AIDS is prevalent in the rural areas. Whereas we have been thinking that the towns are the most affected, it is about time to be more vigilant, especially in the rural areas. If the rural areas go down completely with this disease, then our hope of feeding ourselves will be very badly hit because that is the backbone of the agricultural sector.

Mr. Deputy Speaker, Sir, I would like to say something about trade. Whereas we support free open-door policy of liberalisation or globalisation in trade, I think every country should protect itself a little. This open-door policy must have some checks and balances. I would like to encourage the Minister for Trade and Industry that he should find ways of how he can--

**Mr. Deputy Speaker:** Order! May I call for order on the Front Bench of the Opposition! Please, continue!

**The Minister for Education, Science and Technology** (Mrs. Mugo): Thank you Mr. Deputy Speaker, Sir. We are calling for protection for the sugar cane farmer. We should not have sugar coming from all over being dumped in our market because we should ask ourselves; what are we dumping in other countries and why are they able to come and dump here? Whereas we encourage the regional co-operation and trade, we must also find ways of protecting our own industries as other countries do. May I also commend the Minister for attempting to reduce bank interest rates. That is a very good move because that is what will make our business grow. It will enable businessmen engage in business and make our economy grow. But I would like the Minister to go a step further and make sure that the Central Bank of Kenya supervises these banks. We have not seen any of these rates coming down.

With those few remarks, I beg to support.

**Maj. Madoka:** Thank you, Mr. Deputy Speaker, Sir. I rise to support the Motion and to commend the Minister for his effort in trying to give us a reasonable Budget. In making a budget, there are many assumptions and if they turn out to be true then, obviously, the budget will be good. The Minister also acknowledges that the most difficult part is the implementation and we do agree that it is the implementation which will determine whether this Budget will be of value to Kenyans or not. One of the assumptions the Minister has made is that there will be no lapses in security. Without security, many of the measures he has proposed will not be successful. We are all very concerned about the threat of terrorism. It is a global problem and we feel that it is totally unfair for those foreign countries, particularly America and the United Kingdom, to continue condemning Kenya. We know that Kenya is doing her best to counter any terrorist activity. We want them to come out more positively and assist. Our main concern is that ambassadors of the two countries have forgotten that they are in this country as diplomats. If they have any concerns to raise with or proposals to make to the Government, they should use the proper diplomatic channels rather than condemn Kenya through the media.

Mr. Deputy Speaker, Sir, we are equally concerned that although it has made many pledges to Kenyans, the National Rainbow Coalition (NARC) administration might succumb to pressure from these foreign countries, so that it can be given aid. Let us caution it that we are not prepared to see that happen. I am sure that Kenyans are prepared to make any sacrifice in defence of this country's sovereignty. Let foreign nations know that Kenya is a sovereign country and as such, we are not prepared to be dictated to.

While I appreciate the efforts that the Government is making to improve security at our

airports, I note that there is so much concentration on Jomo Kenyatta International Airport and Moi International Airport. Kenya is a large country. There are many other entry points into this country, whose security needs to be looked into. We need to have funds to improve the security of, for example, Wilson Airport. If anything, Wilson Airport is a major security threat to this country. So, it is important that the Minister tries to get funds to improve the security of Wilson Airport. Kenyans may not be aware that Wilson Airport is one of the busiest airports in Africa in terms of landings and take-offs. The airport is situated in an open area and can easily be used by terrorists or mercenaries to come into the country. Therefore, I plead with the Minister to try and make funds available to improve the security of this particular airport.

This country has many airstrips where security surveillance is not undertaken. In particular, the Government needs to look at the airstrip at Bamburi, Mombasa, which is being run by a private company. The running of that airstrip needs to be taken over by the Government, so as to guarantee our security. We are also concerned about Lokichoggio and Lamu Airstrips. Also, there are many private airfields in various farms in the country. What happens in those farms? We need specific surveillance in those areas, so that people do not come into the country through them.

This country has many other airstrips which also need to be taken care of. We do not have funds with which to maintain them. An example is the Busia Airstrip. There is need for funds to manage and maintain these particular airstrips. Previously, the maintenance of those airstrips used to be undertaken by the Provincial Administration. I do not know what has happened lately; the airstrips are no longer being taken care of, mainly due to lack of funds. Therefore, I hope that the Minister will provide the necessary funds, so that these airstrips can be taken care of.

I also want to commend the Minister for his effort in tapping areas which were previously neglected in terms of generating revenue for this country. I have in mind his effort in trying to go into the mining sector. As I have said in this House, I believe that the Government can generate a lot of revenue from the mining sector. So, his effort in venturing into this particular area is, indeed, very welcome.

I now want to mention the titanium mining issue at the Coast. We want to ensure that the Government gets the best deal out of the mining of titanium. We know that the present company wants to export raw titanium. It is important that we realise that when this company is licensed, it must carry out the entire processing of the mineral in this country. Mining and processing of titanium results in many by-products, which will be of great benefit to this country. Let us have added value to the entire process of mining of titanium in that particular area.

The Minister is also venturing into the film industry. Kenya has great sceneries, which can be used by the film industry to make movies. So, this sector can also yield a lot of money for this country. Therefore, I commend him for his effort in trying to tap this area as well.

Mr. Deputy Speaker, Sir, the Minister said that to waive duty for our officers who work overseas, the Government will only accept vehicles which will be registered in the names of officers in their country of service. The Minister needs to listen to what I have to say. For instance, while in the United States of America (USA), our officers drive left-hand-drive cars. When they come back to the country, they will not need that type of a car. Therefore, the Minister needs to re-consider this particular area, so that officers who will come from countries which use cars similar to those used in the USA may also buy vehicles elsewhere and bring them into the country.

Another area which the Minister needs to look at is that concerning the welfare of Kenyans working with various United Nations (UN) agencies. Officers who work with such agencies do so on contracts of a number of years. Such people work in difficult areas and they are given a two-week leave after serving for about three months. However, the Government takes that as broken service. I believe that such officers should be allowed to import vehicles duty-free. These are areas which I believe the Minister should look into very carefully.

I also commend the Minister for the way he has allocated various sums of money for the maintenance of roads. I know that these funds are most of the time misused. So, I plead with road engineers in the field to strictly stick to specifications. All too often, even if it is gravelling of roads that is required, contractors put mud on the roads and claim that they have gravelled those roads. I believe that the Ministry needs to very carefully look into this area, so that when contractors repair roads, they do so using the proper material, so that the roads can be long-lasting.

Equally important is that it is now time road engineers in the field did proper programming of their work. Quite often, roads are dug up just before the rainy season. So, when the rains come, because of the little job that has been done on a given road, the entire road is damaged and it becomes useless. These are, therefore, areas which the relevant Government officials need to look into for the sake of ensuring that our roads are properly maintained.

Again, I want to commend the Government for its effort in trying to provide free primary education. We appreciate that effort, but the most critical area is that of secondary education. Most of the pupils who stop their education at the primary level are raw, and cannot do much. Most parents suffer as they try to meet the cost of their children's secondary education. That is why we have a high rate of secondary school dropouts. With the allocation of some money to the National Bursary Fund, we should see a lot more of our secondary school children going through the entire learning process, without having to drop out of school. We laud the Government for its effort in trying to help that particular sector.

Mr. Deputy Speaker, Sir, I conclude by saying that I support the Motion.

**Ms. Mwau:** Thank you, Mr. Deputy Speaker, Sir. I stand to support the Budget. The national Budget is a political statement that shows where the Government priorities are and stipulates certain things for the benefit of the people of the country. This year's Budget clearly shows that the NARC Government is on the people's side, as it is a Budget for the poor. It is important to note that the Minister for Finance gave us a very clear analysis of the Government we inherited from KANU. We inherited a run-down country, an empty Treasury and an accumulated public debt of over Kshs200 billion. This year's Budget demonstrates that the NARC Government has begun to spur growth. I have mentioned that it is a poor man's Budget; that aims at helping the marginalised, particularly women.

The emphasis on provision of security, energy, health, safe drinking water and education shows that the Government upholds the basic rights of Kenyans. It is also keen on reviving the economy that has deteriorated for the last for 40 years.

I would like to analyze this year's Budget from a woman's perspective. The additional funds for rural electrification will positively impact on women. Providing an alternative energy source will enable women to spend less time looking for firewood and use the time saved to engage in other economic activities. It will also create employment for women and youth in the rural areas. They will be able to start businesses like hair salons, welding, milk and food processing. It will be one way of reaching women and the youth and enabling them to improve their economic wellbeing.

Mr. Deputy Speaker, Sir, the provision of free primary education is a positive move for the girl child. When there are limited resources, it is the girl child who is the first to drop out of school. The School Feeding Programme and boarding schools in ASAL areas will improve education for children in those areas. I would go further and say that mobile schools for the nomadic people would ensure that education, as a basic right, is not denied to children of such nomads. It is important to note that parents in ASAL areas need to be taught that education is a basic right, and that they need to take their children to school. If they do not educate their children, they should face the law.

The proposed comprehensive health insurance will enable the poor people to access health care services. Women will benefit as they are the ones responsible for taking care of health issues at the family level; they take care of the elderly. Sometimes, they do not seek health care services because they do not have the money with which to do so. We know that in some areas women have been

battered for going to hospital. Their husbands ask them where they will get money from to pay the hospital bills.

Health insurance will enable the poor, and particularly women, to access health care services. It will be important to have a health clinic in every sublocation so as to reduce the long walking distances for women when they take their children to health centres. It is important for this House to know that health needs for men and women are very different. Women require pre-natal and post-natal care services. If all the funding goes to curative measures, it will mean that women are not going to benefit much.

The allocation of funds to HIV/AIDS is a positive move. However, if the money is meant to benefit the poorest of the poor, it must trickle down to the community. It is in the community that the infected and affected live. Women have been supplementing the efforts of this Government through taking care of the infected, and sometimes the affected, even though they do not have resources.

The reduction of the VAT rate from 18 per cent to 16 per cent will positively impact on women. It will increase their purchasing power and thus enable them to improve the diet of their families.

The Government efforts to write off non-performing loans advanced to co-operative societies will uplift the morale of farmers, a majority of whom are women. We should note that 80 per cent of the food produced in this country is produced by women. It is important, therefore, to provide credit to women for farming activities. We should have a legal provision to ensure that money earned from coffee, tea, cotton and sugar is shared by the family. Men can spend their money as they please and women will support families. Women are the ones who support the families. We know very well that when bonuses for sugar and cotton are paid, it is the men who go and collect the money. It is important for us to actually make sure that women are paid for their sweat, and make sure that there are legal provisions that women---

I support the Motion.

**Mr. Haji:** Mr. Deputy Speaker, Sir, I beg to support the Motion, but with a little bit of reservation. While generally the Budget Speech by the Minister for Finance is to some extent acceptable, I think it is short of expectations to many of us in this House and outside the House.

In view of the fact that His Excellency the President, Mwai Kibaki, emphasized on more than one occasion, his desire to see the development of the Arid and Semi-Arid (ASAL) areas, he said this during the state opening of Parliament, and he repeated it during the Madaraka Day celebrations. The provision of Kshs750 million in the Budget for the ASAL areas is nothing but a drop in the ocean.

Mr. Deputy Speaker, Sir, we know that, in the Budget, the Minister had repeatedly stated the desire of the NARC Government to fight poverty. But I would say, with confidence, that, if one looks at what is happening in the country, one will come up with a conclusion that it is merely a gimmick, and not a real commitment. Instead of fighting poverty, the NARC Government has continued to impoverish Kenyans by displacing them from their lawful livelihoods. In the *matatu* industry, we see touts and *matatu* operators being harassed, while hawkers dealing in petty trade are being chased from one area to another.

To add insult to injury, I am really very disappointed that the other day, in Kitengela, instead of helping the poor Maasai, whose livelihood is their cattle, they have been left to be impoverished by lions which have strayed out of the Nairobi National Park. We know how close Nairobi National Park is to Kitengela. Instead of the Kenya Wildlife Service (KWS) following these lions and returning them to the National Park, they have been left, for one month, to kill the livestock of the Maasai. Instead of sympathising with them and maybe even paying them an immediate compensation, we are being told that helicopters are being used to hunt down the Maasai. Really, are these measures alleviating poverty or increasing it? Even the animals are aware of the attitude of the NARC Government!

On Saturday, the 16th of June, 2003, in my own constituency, hippos came all the way from

the Tana River, entered somebody's house and killed one person and seriously injured two other people. Unless the Government is serious about the welfare of Kenyans, I think it will be very hard to believe the Government. One wonders because the welfare of Kenyans is being neglected by the NARC Government. We are unable to sleep because helicopters are flying at night, disturbing children and patients, mainly because Americans are complaining about terrorism. What about the Turkanas who are being murdered in great numbers? How many helicopters have been flown there to tighten the security of Kenyans?

While speaking on the impoverishment of Kenyans, the other day, this Government being as insensitive as it is, decided to close its border with Somalia, without giving any notice. The poor people who trade in *miraa*, both the Merus and the Somalis, were made to suffer the loss of Kshs10 million in one day! Is that really fair? The Government should consider paying compensation to those people who have suffered this loss. People are now selling *miraa* which has been thrown out from Wilson Airport at Kshs10 shillings a bag. This *miraa* was going to earn Kenya some foreign currency and was providing employment for so many people. Are we really serious when we say that we are going to create employment, when we are making the people unemployed?

The other thing, Mr. Deputy Speaker, Sir, the Government should be serious about the security of this country and the welfare of Kenyans. We are told that Kenyans are being harassed, particularly in Eastleigh. The police are going there asking people whether they have seen Osama bin Laden. They are saying that bin Laden spent three nights there. One wonders what the Government was doing if bin Laden was there. Is it for the public to know where bin Laden sleeps, or is it the duty of the Government to know whether bin Laden was there or not? The Government should stop harassing Kenyans for the benefit of the Americans. We are not at war with any nation or anybody. We should be left to do our business in a more civilized manner than what we are seeing today. If the Government is not going to do that, then as leaders, we will be forced to agitate for mass civilian action to show our disappointment with the way that this country is being run.

Mr. Deputy Speaker, Sir, we are being told that the World Bank is going to give us US\$35 million for the ASAL areas. It is only our hope that this money will be given to ASAL areas and that it will not be like what we have just seen in the Estimates; that only Kshs750 million is being given to ASAL areas. One wonders what Kshs750 million is going to achieve in such an expansive area of our country whose people are very poor indeed. It is our view that this money, which is going to be given by the World Bank, should be disbursed equally to all the ASAL districts. This money should go to the districts so that wananchi in those areas can decide on their priorities and also be able to monitor and evaluate the implementation of those projects.

With these few remarks, I beg to support.

**Mr. M. Kariuki:** Thank you, Mr. Deputy Speaker, Sir. I rise to support this particular Motion. I would like to thank the Minister for Finance for his first Budget, which dealt with the examination of the problems we have gone through in the last ten years.

Indeed, I would like to say, and probably borrow words from one great philosopher; that an un-examined life is not worth living. I think that the first part of the Budget concentrated on a very important aspect of our history; how this country has been plundered, where we are presently and it raises the question of where we should be moving next. These are important backgrounds to the position he has to reach in the second part of the Budget.

Mr. Deputy Speaker, Sir, I would like to say that the Budget should focus basically on the creation of employment and the reduction of poverty.

Mr. Deputy Speaker, Sir, I come from an urban constituency and I have not seen much in terms of reduction of poverty. Today, in our urban areas we have people who man all our streets. These are poor people and they comprise of hawkers, *mama mboga* and the *mitumba* traders all trying to make a living out of the street life. This is a very important part of our economic development. If we

are to reduce poverty, then we must focus on how to formalise the informal sector. We should make it a formal sector where the Government can realise revenue in terms of taxes. Some of these people, indeed, do earn a lot of money. For example, one may imagine the people we call "*manambas*" who earn about Kshs1,000 per day! At the end of each month, one *manamba* earns about Kshs30,000 which is much more than what a teacher would earn and yet the Government does not realise any revenue from that particular individual.

Mr. Deputy Speaker, Sir, if we were to make the so-called informal sector formal, the Government would benefit in terms of taxes. However, the traders would also benefit because they would be recognised as legitimate traders such that they would get security and protection from the State instead of the scenarios that we see here every other time; of our people being chased by City Council *askaris* and their wares being confiscated. That particular era will come to an end. Given the number of families that they support through the small and big earnings they earn from their small hawking businesses, we shall have relieved a considerable part of our population of the poverty they are going through. I would have liked the Minister to have focused much more on the issue of the informal sector and to see how people can get credit and be recognised as part of the formal sector so that they can be empowered to be able to fight poverty.

Mr. Deputy Speaker, Sir, on the banking sector, I would like to say that in many other jurisdictions in Europe, they do not need the intervention of the Minister for Finance because the courts have devised a mechanism to ensure that the bankers do not oppress those who take credit from them. For example, we have the equitable doctrine of uncautionability whereby if you were to borrow Kshs100 from a bank, it would be uncautionable for the bank to demand Kshs100 more by way of interest. If our Judiciary was working in the manner it should have been working, I am sure that the Ministerial intervention in terms of the interest rates would not be called for. However, I welcome the Minister's intervention. He has the power under the Act to regulate the form of interest rates that should be charged and I think this is going to stimulate credit and consequently growth will be in the economy.

Mr. Deputy Speaker, Sir, I would like to comment on the commodity prices. The Minister did refer to commodity prices. One of the major problems we have in the developing world today is that we are subject to the terms and conditions of the World Trade Organisation (WTO). The so-called G7 countries for that matter, have made the world their own colony. They have colonised all of us such that the free market pricing system is no longer available to a developing country. The prices are pegged to the highest that a particular member of the G8 has reached at any one particular time and yet we in the developing world are supposed to take a lesser pricing as far as the world trade is concerned. Mr. Deputy Speaker, Sir, I think there is a much bigger problem than meets the eye in this particular regard. I do hope that in the course of time, the developing countries will appreciate why whenever the G7 member countries meet anywhere in the world, there are riots. Those rioters are actually bleeding for. It is we, the third world, that they bleed for and not for their own countries. We have to wake up to the reality that we are being colonised for the second time by the group of the G7. I think that to be able to enhance the price of commodities, that seems to be a matter outside our powers for the time being. However, I think we should act collectively as the developing countries to be able to save this particular situation.

Mr. Deputy Speaker, Sir, I would like to comment on security matters which everybody has commented on. I was very disturbed three weeks ago to see the American Ambassador to Kenya visit Lanet Barracks unaccompanied by any Minister of State. He conducted a function within our barracks and five days later the British High Commissioner was addressing our officers at the Defence College, an area that a Member of Parliament is not even allowed to step in. No political leader or ambassador is allowed to step into a military barracks. The same even applies to Members of Parliament except the Minister of State in charge of internal security and the President. One wonders how the American



Ambassador was permitted to enter our barracks when we leaders in this country are not allowed there. That explains the kind of arrogance we have displayed in the last two weeks because we have compromised our security organs. We allow foreigners to address our soldiers and enter into our barracks to do whatever business they want to do.

Mr. Deputy Speaker, Sir, there is no greater terrorist in the world today than America itself and its Head of State. If you remember our history here, our founding father here was called a terrorist by the British Government. The great hero of Africa, Nelson Mandela, was called a terrorist by the same people. You really wonder when we play around with words, what do we mean by a terrorist? The word "terrorist", like they say, like beauty is in the eyes of the beholder. It depends on who is calling the other terrorist. When Kenyatta came out of prison he became a freedom fighter to the West. When Mandela came out of detention he became a freedom fighter. So, what is this terrorist talk?

Mr. Deputy Speaker, Sir, I am very unhappy that the Minister for Justice and Constitutional Affairs and the Attorney-General have even gone ahead to pander to the pressure from the West by publishing an Anti-Terrorism Bill. I hope it will not see the light of the day here. We have to conduct our affairs in such a manner that our national interests come first. If Americans want anything from Kenya, it should not be for nothing. We must make sure we deal with them in accordance with the capitalist rules. They must pay for whatever they want from us. The other day the Minister of State, Office of the President in charge of internal security let go a suspect they arrested from Somalia and gave him to the Americans for no money. We should behave and borrow from Turkey. If you are dealing with Americans, make sure money comes first so that whatever they are asking for from us for the time being---

**Mr. Haji:** On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to suggest that we should trade in human beings like it happened during the ancient slave trade?

**Mr. M. Kariuki:** Mr. Deputy Speaker, Sir, I never made such suggestions. My point is very clear. If Americans want a favour from Kenyans, we should not give it to them for free because they do not believe in free things; they believe in capitalism. I was giving the example of Turkey because when the USA told the Turkish soldiers: "Can you go and fight for us in Iraq?" They said: "Well, we will fight, but for US\$26 billion." Now, what did we get for arresting a suspect in Somalia and handing him over to the Americans? Nothing! We do not seem to put our interests first. We must know how to deal with these people. The only language they understand is money and we must ask for money. The reason we are suffering in this country is because there are American, Israeli and British interests here. We are not a target of terrorism. It is them who are a target of terrorism because of the activities they are conducting outside this country. So, we need to tell them: "Can you fortify us against possible losses arising from our tourist industry?"

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Kosgey:** Thank you very much, Mr. Deputy Speaker, Sir, for giving me this opportunity to support this Motion. From the outset, the Minister did note that implementation will be a major effort in realising this Budget. We have had very good Budgets in the past and one of the major problems that we have faced is this issue of implementation. So, I do hope that the line Ministries will be cleared and trained so that implementation can go ahead and Kenyans can benefit from what is proposed in the Budget.

Mr. Deputy Speaker, Sir, for the first time, after a very long time, we have a huge Budget deficit which Kenyans have not really come to appreciate. If we have a Budget deficit of about Kshs117 billion and only Kshs30 billion is only supposed to come from external sources, it leaves a whopping Kshs87 billion to be sourced locally even if the Minister says he will roll over some of those debts. However, for Kshs87 billion to be sourced from the local market, that will actually, once again, render the banking sector short of credit. One of the biggest problems we have had in this country is

lack of credit for the small-scale traders. I am afraid that the good measures that the Minister for Finance has proposed in the banking sector will come to nought unless the Budget deficit is addressed. I hope that the Minister will take this into consideration.

Mr. Deputy Speaker, Sir, if you look at the Poverty Reduction Strategy Paper (PRSP), we were supposed to have a balanced Budget by the year 2003/2004. Instead, we have this huge Budget deficit of nearly 7 per cent of our GDP. Indeed, this is very prudent on the part of the Minister for Finance. There will be, of course, a shortfall in revenue collection because of the current situation. I am afraid that this country is still held at ransom by the American and British Governments. The travel advisories which are only targeted at this country have actually hurt us. It is sad to hear that the British and Americans are claiming to be friends of Kenya and yet they are strangling us by the neck everyday. The travel advisories are really intended to create disharmony in this country. It is about time we were told whether the Americans and the British are really our friends.

Mr. Deputy Speaker, Sir, on the other hand, I would like to know from the Minister of State in the Office of the President in charge of Provincial Administration and Internal security whether there is something else we are not being told by the security agents, which the Americans and the British know and Kenyans do not know of. As far as we are concerned, we are a safe country and destination. We are going on with our activities properly. Therefore, if there is anything that we do not know, the Minister of State in the Office of the President in charge of Provincial Administration and Internal security should tell us everything.

Mr. Deputy Speaker, Sir, we have always heard the Government say that it inherited empty coffers. I would like to state categorically that, at the end of December 2002, foreign reserves worth US\$1.1 billion were in the Central Bank of Kenya. This was enough to act as import cover for four months. What empty coffers did they inherit? This country had healthy foreign reserves and we were paying all our debts and meeting all our recurrent revenues. Indeed, do not forget that the Budget proposals last year reflected a small deficit of US\$32 billion. Therefore, revenue collected every month ought to go to services for Kenyans. We are not a rich country. It is important to know that our revenue reserves were over US\$1 billion. That was a healthy state for any developing country.

Mr. Deputy Speaker, Sir, I come from a rural constituency which is also a farming area. The Budget proposes very little, in way of alleviation of poverty in the rural areas. Poverty has run amuck in the rural areas. People have no incomes. We talk of people who live in urban areas who can, at least, earn some money, but in the rural areas people go for days without even a shilling. The main income earner in the rural areas is farming yet there is very little in the Budget to support farming to enable the farmer in the rural areas to earn a decent living. We hear a little being mentioned about coffee, but coffee is only grown in certain parts of our country!

Mr. Deputy Speaker, Sir, there are three vital crops that concern me very much. These are maize, wheat, and sugar-cane.

*[Mr. Deputy Speaker left the Chair]*

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

Maize is a staple food in this country. Close to three million bags are consumed every month by Kenyans. However, the Budget says very little about maize. Growing maize in the area where I come from has become a headache. Farm inputs, diesel and spare parts are very expensive yet after a farmer goes through all these, he is offered as low as Kshs400 per bag when the production cost of a bag of maize is close to Kshs1,500. It is about time the Government did a proper economic survey to know what it costs a farmer to produce a bag of maize. Otherwise, those of us who come from the maize

growing areas have told the farmers to grow only what sustains their families and forget about the nonsense of feeding the nation. We cannot continue subsidising the price of maize for people in the urban areas. Farming is a business like any other business. It is not a charity. Maize farmers currently have been forced to run a charity by subsidizing the price of maize for the consumers. The Minister for Agriculture, even though he is not here, comes from a maize growing area. He promised us that the price of maize will be Kshs1,400 per bag. We are waiting to see if this Government will implement that price structure. Otherwise, we need to carry out a thorough study to know what should be the price of maize because as I said, maize is a staple food for this country. All of us consume *ugali* and we cannot continue to do that at the expense of somebody else.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about wheat which is also a staple food for our country. A lot of Kenyans consume wheat products.

*(Loud consultations)*

Mr. Temporary Deputy Speaker, Sir, protect me from what is going on behind me!

**The Temporary Deputy Speaker** (Mr. Poghiso) Order, Members!

**Mr. Kosgey:** There is no effort to promote the growing of wheat in this country yet the Minister for Finance intends to alleviate poverty in the rural areas. We would like to be told what is happening with wheat research especially the new varieties that could be grown in the wheat growing areas so that we can have higher yields. Currently, we have funny varieties of wheat seed that yield as low as five bags per acre. That is very low, indeed.

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

**The Assistant Minister for Health** (Mr. Konchella): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to the debate on this Motion.

First, I must correct, from the onset, the speaker who has just spoken. He has said that the previous Government left US\$1 billion in reserve. That is wrong because the NARC Government inherited empty public coffers. The Minister for Finance should be commended for trying to provide for the future of this country in the next one year, by collecting taxes from our people. The biggest problem in this country, which has caused all the other problems, is mismanagement of funds. The Treasury has lagged behind in information technology. I would like to ask the Minister for Finance to consider introducing accounting processes and systems in every Government Department, particularly in the Treasury. The Treasury should have an integrated information system that can monitor the expenditure of every Ministry and Government Department, including parastatals, so that it is able to check those people who are spending unauthorised money. That is why we have a lot of problems.

There is also another problem. When the former KANU Government knew that it was getting out of power, it rushed and paid a lot of money to contractors for services they had not rendered. For example, a lot of revenue was lost by the National Hospital Insurance Fund (NHIF) and the National Social Security Fund (NSSF). One interesting incident happened at the Kenya Pipeline Company (KPC). The KPC tried to computerise its systems and paid Kshs400 million to a contractor and yet, no services were rendered. That is why we are poor and the country is in the situation it is today. We have enough resources in this country to manage and run our affairs without relying on donors. Indeed, I want to stress to the Minister the need to introduce integrated information systems in every Government Ministry and Government Department, to account and manage funds. If we can reduce the procurement cost for what we are buying, we can save enough money to give every constituency Kshs20 million which is required. I believe our constituents deserve to get Kshs20 million for development every year. It is a priority and a requirement. That can only be done if we ensure that procurement in every Government Department is done in a transparent way.

Indeed, we should even introduce a system whereby, when a Ministry wants to advertise

tenders, it should do it on a website. Every Ministry should open a website so that, instead of advertising tenders in newspapers, they can do it on a website. People can quote on the website without having to go to the Ministry headquarters. Goods and services can be procured based on international prices, because we can compare prices all over the world. That is how we are losing money, encouraging corruption and becoming poor.

Mr. Temporary Deputy Speaker, Sir, it is time Kenyans knew that this is their country. We have a duty and a responsibility to protect the resources of this country for the future of our children. It is as if many of us do not care about the future. We must also, in the Budget process, ensure that resources go to our people. I am glad to see Kenyans owning a lot of wealth, because whatever they own is Kenya's. Any Kenyan who is able to trade and acquire wealth in the right way should be encouraged.

The other big problem is the issue of our people who have stashed money in foreign bank accounts. Those people know that they are impoverishing Kenyans. Why should they bank that money out of the country? What is the money for? How long will they live in this world? They should bring that money back to the country. In fact, the Government should encourage Kenyans who have banked money in foreign bank accounts to bring it back. They should not be punished. The Budget deficit that we are talking about can be covered by the funds that many Kenyans have banked in foreign bank accounts. So, let us find a way of encouraging those people to bring that money back to the country.

Mr. Temporary Deputy Speaker, Sir, I support the Minister's allocation of Kshs4.5 billion to the National Bank of Kenya to revive it. We know who borrowed some of that money and we should find a way of recovering it. The National Bank of Kenya is one of this country's resources. We have only two Government banks and if we allow them to go under, we will all end up banking with foreign commercial banks. They will take all their profits to Europe. That is why those foreign commercial banks are happy and laughing at us. We should ensure that all our people bank with the National Bank of Kenya and the Kenya Commercial Bank to strengthen the banks, so that, the foreign commercial banks do not make a lot of profits which come from our pockets.

The security of this country is paramount. I want to support the Minister for allocating a lot of money to security. As I speak now, the pastoralists have a problem of cattle rustling and simple attacks by foreigners. We know the weaknesses of our communities. Many pastoralists have not been able to go to school and that is why the Government has put a lot of money into the Arid and Semi-Arid Lands (ASAL), to improve education, so that they can know that there is an alternative to cattle rustling. They can go to school and earn a decent living.

I want to ask the Minister in charge of internal security to support the Kenya Army to protect Kenyans. Money should not be used to buy equipment that is not required. Some of the things we require are helicopters. The Kenya Army can move with helicopters rapidly to solve security problems. For example, when some raiders raided parts of Turkana District, the army should have been there within the first 12 hours by helicopters to arrest the attackers. Raiders will continue to raid because they know we cannot protect our people. We should provide our military with the necessary equipment to sort out volatile situations. Lack of equipment is causing embarrassment to this country. People are being shot and we are doing nothing! We are a free nation which is supposed to protect its people.

Indeed, a lot of money ends up at the district treasuries. One of our biggest problems is that hon. Members of Parliament have no duty at all to oversee the expenditures in their districts. It is high time hon. Members of Parliament were involved in the management of expenditures in their respective districts. They should ensure that whatever funds are given to the district treasuries are properly accounted for. I want to appreciate the Minister's move of sacking all procurement and supplies officers, who have been the source and conduit of corruption in this country. He should do the same to

officers at the district treasuries. Those officers should also be sacked, so that we have officers who can efficiently run district treasuries. The Minister should employ all university graduates to run the district treasuries. We want educated people to run our financial institutions.

**Mr. Mwancha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to say that all the procurement and supplies officers who were sacked are corrupt? Is he in order to say that when the officers have not been tried and found guilty?

**The Assistant Minister for Health (Mr. Konchella):** Mr. Temporary Deputy Speaker, Sir, the Government will investigate those officers who are suspected of being corrupt. If found guilty, they will be sacked. However, those who will have no problem will go back to their jobs. I would like to continue and say the following. We have problems---

**The Temporary Deputy Speaker (Mr. Poghisio):** Order Members! Mr. Konchella, your time is up. Please, tell us whether you support the Motion.

**The Assistant Minister for Health (Mr. Konchella):** Mr. Temporary Deputy Speaker, Sir, I, indeed, support the Minister for Finance.

**The Temporary Deputy Speaker (Mr. Poghisio):** Mr. Salat, you may contribute to the Motion.

**Mr. Salat:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity---

**Hon. Members:** On a point of order, Mr. Temporary Deputy Speaker, Sir!

**The Temporary Deputy Speaker (Mr. Poghisio):** Order Members! We cannot have all of you rising on points of order!

**Mr. Salat:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this year's Budget. Before I do so, I would like to request my fellow colleagues to recognise the presence of students from Tenwek High School who have come to visit Parliament today.

**Mr. Khamasi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Have you heard what Mr. Salat has said?

**The Temporary Deputy Speaker (Mr. Poghisio):** No, I did not. What has he said?

**Mr. Khamasi:** Mr. Temporary Deputy Speaker, Sir, Mr. Salat has just told us to recognise strangers. Is that in order?

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, I actually said that I am happy to contribute to the Budget today in the presence of---

*(Laughter)*

**The Temporary Deputy Speaker (Mr. Poghisio):** What did you say?

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, I said that I am happy to contribute to the Budget and lucky to be in the presence of Tenwek High School students.

*(Laughter)*

Mr. Temporary Deputy Speaker, Sir, this year's Budget has been hailed as one of the best Budgets that we have ever had.

*(Loud Consultations)*

**The Temporary Deputy Speaker (Mr. Poghisio):** Order, Members! Mr. Salat, go on, but concentrate on your work.

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, this year's Budget has been hailed as one of the best Budgets ever presented in this House. The expectations of Kenyans are that this Budget will actually improve their living standards, welfare and also bring about the much needed change in improving the economy. This year's Budget has touched on various areas. One area of concern that I would like to highlight today is agriculture. The area that I come from depends on Agriculture. We would have liked the Minister to address the issue of maize farming. From the maize and cereals that we produce in our area, farmers are not guaranteed that they will get back the returns that they have actually put in. The Minister did emphasise on improving the coffee sector in this country. Coffee farming seems to be concentrated in one region. We needed this Budget to address the country as a whole as well as most of the produce from other areas in the Republic. I have never heard nor seen a produce called Macadamia nuts; I found out that it is grown at the Coast.

Mr. Temporary Deputy Speaker, Sir, the Minister promised to inject Kshs400 million into the Kenya Co-operative Creameries (KCC). We know that KCC was bought from the Government by private individuals. We would like to know who the Government is going to buy KCC from. The case of KCC was that of a willing buyer, willing seller. The Government is promising us that they are going to buy it off. Are the farmers who are the present owners of KCC willing to sell it to the Government?

I would also like to highlight the issue of the Kenya Meat Commission (KMC). While presenting the Budget, the Minister did not clearly state whether or not he was willing to revive KMC; we have only heard it verbally. We have also heard that it is one of the institutions which most people from the Arid and Semi Arid Lands (ASAL) depend on.

**The Member for Alego-Usonga** (Mr. Weya): On a point of order, Mr. Temporary Deputy Speaker, Sir. The Government has allocated Kshs200 million for KMC. I therefore do not know what the hon. Member is saying.

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Poghio): Order, Members! Mr. Weya, how is that a point of order? You are giving information.

**Mr. Salat:** Thank you, Mr. Temporary Deputy Speaker, Sir, for saving me from people who have actually not gone through their Standing Orders properly.

*(Laughter)*

Mr. Temporary Deputy Speaker, Sir, as I continue, the KMC, which as I said---

**Prof. Olweny:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Poghio): Would you allow the hon. Member to finish what he is saying? What is it, Prof. Olweny?

**Prof. Olweny:** Is the hon. Member in order to refer to hon. Members as "people" in this House?

**Mr. Salat:** Mr. Temporary Deputy Speaker, Sir, I cannot see any animals here!

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Poghio): Order, Members! I will allow Mr. Salat to finish what he is saying. If you do not have anything to say, do not interrupt him. Let him finish what he is saying. Points of order do not necessarily enhance debate, unless they are actually points of order; that only applies to cases where the Member has breached something in our Standing Orders.

**Mr. Angwenyi:** On a point of order, Mr. Temporary Deputy Speaker, Sir---

**The Temporary Deputy Speaker** (Mr. Poghiso): Mr. Angwenyi, that had better be a point of order!

**Mr. Angwenyi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Speaker in order to accept hon. Members to be called "just people"? Do Standing Orders allow that? I think the hon. Member should withdraw that remark and apologise to the House.

**The Temporary Deputy Speaker** (Mr. Poghiso): Mr. Angwenyi, I have said that Mr. Salat should continue with his contribution.

**Mr. Salat:** Thank you, Mr. Temporary Deputy Speaker, Sir. I would have expected the Minister for Finance to actually tell us more on how he was going to revive the KMC. Mr. Temporary Deputy Speaker, Sir, I would like to get into one of the very contentious issues which for now is on everybody's lips. The security of this country is being questioned. The hon. Member who spoke before me questioned why Americans are dictating to a sovereign nation like Kenya, as to the direction that they should take, to protect the citizens of this country. I have a statement that was actually read by the Minister for Justice and Constitutional Affairs.

The ambassador of the United States of America to Kenya, Mr. Johnnie Carson said; "For the last two and a half years, we have had a number of terrorist activities around the world and in every case, save for Kenya, the individuals have been arrested by their governments and put on trial, and in most cases convicted. In Kenya, there has not been a single arrest or conviction." The problem we see here is that, immediately after the American Ambassador issued this statement, the Kenyan authorities went ahead and arrested some Kenyans; the usual suspects.

Mr. Temporary Deputy Speaker, Sir, the Kshs300 million that has been allocated to the Police Department is not adequate when the morale of the security personnel is very low. We want this Government to improve the welfare of the police force which in turn, will boost security in this country. The issue of terrorism has affected the tourism sector while at the same time, the Government is telling Kenyans that it is out to create 500,000 jobs. That to me, is contradictory because right now the tourism sector is suffering. The Minister of State in the Office of the President, in charge of Provincial Administration and Internal Security actually said that we have terrorists in this country. The Minister should have arrested them.

I beg to support.

**The Member for Alego-Usonga** (Mr. Weya): Mr. Temporary Deputy Speaker, Sir, thank you for allowing me to speak. My names are Sammy Arthur Weya. I am the elected Member of Parliament for Alego Usonga, Siaya District. I would like to take this opportunity to congratulate His Excellency the President, the Members of the 9th Parliament and you Mr. Temporary Deputy Speaker, as well. We, younger Members of Parliament, and the youth of this country as a whole, have the dual role to represent our constituencies. If you go to the public sector, we have too much deadwood and yet out there, many young graduates are tossing hamburgers and doing other odd jobs in other countries. The private sector is running efficiently and effectively and making huge sums of money, because youths are working in those institutions.

Mr. Temporary Deputy Speaker, Sir, I come from a constituency where the poverty level is at 86 per cent. We used to have a lot of cotton growing in the constituency. The Government came up with the Cotton Seed and Lint Marketing Board that would take the cotton from the farmers and not pay them. This has caused my people to stop growing cotton. I have not seen any initiative by this Government to rescue my people, yet special preference is being given to coffee farmers. I do not know why this should be the case. I believe this Government can reduce poverty levels, and one way of doing it is by increasing food security. In order to improve food security, the Government should provide meaningful and affordable credit to the farmers. I can see that the Office of the President has been given Kshs2.5 billion to buy relief food and for storage of grain. I believe this money should have been given to the Ministry of Agriculture. This would have enabled people to have money to plant

grains, seedlings and buy fertilizer, which would eventually provide food security. Every household has become a micro-finance institution. The poor are borrowing Kshs1,000 and paying back Kshs1,300 at the end of the month. This indicates that the poor are paying interest rates of one per cent, per day.

The big multinational banks are running away from the rural areas. I suggest that when issuing licences to banks, the Government should consider the rural areas because in the urban areas, we have enough banks which are giving out money.

Mr. Temporary Deputy Speaker, the Government should consider using the Military, Police, and the Prisons forces to build roads and bridges, like it is done in other countries. We have a Battalion here which has been dormant for many years and yet it has an Engineering Department. I do not see why the Government should be giving money to cowboy contractors to run all over the place giving kick-backs. In my constituency and many others, we do not have gazetted forests. In these areas, the local people cut trees for fuel, and utilise them for commercial purposes because they do not have a source of income. I suggest that the Government should enact a law which stipulates that trees be planted in all constituencies around the country. We are lacking clean drinking water across the board. The Government should allocate funds to every constituency for water, and for constructing bore-holes. I am a bit disappointed with the fact that the Government has only given Kshs2 million per constituency, yet we told our voters that we would scrap Harambees. Kshs2 million can do nothing for a constituency, yet the Government is trying to revamp organisations like the Kenya National Assurance Company (KNAC) which has been allocated Kshs180 million. Why is this so? To my understanding KNAC has got a lot of resources because for many years, they have buildings which they have been renting out. This money is in bank accounts. I do not know what has happened to it.

Mr. Temporary Deputy Speaker, Sir, I would like to go ahead and contribute about drugs being given out to constituencies in this Budget. I can see that Kshs140,000 has been given to each constituency for drugs. I do not understand what Kshs140,000 can do for Kenyans. This allocation is too small, compared to what has been given to the Office of the President. If you put all the Budgetary figures together including security, defence, the amount allocated to the Office of the President comes to Kshs43 billion. I think this is unfair distribution of resources to the people of this country.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about wildlife. Tourism in this country for many years has been a source of income. In Egypt there was a time when 16 tourists were killed. The country invested 15 million dollars in advertising their country all over the world through the international media. Six months down the line, Egypt had more tourists than they had prior to that incident. I suggest that this Government advertises this country worldwide to enable us have enough tourists coming back to this country. This has affected many industries.

Mr. Temporary Deputy Speaker, Sir, the Government has not placed any emphasis on the Jua Kali Industry. We need to close the gap between the formal and the informal sector. These big companies try to absorb the smaller ones. The Jua Kali Sector employs hundreds of thousands of Kenyans. The Government should give them finances to grow. There are instances where the youth of this country graduate from Universities and do not have finances to venture into businesses that can employ Kenyans. In the public sector we have old generation employees who are sitting there hoping to die in those specific offices. Right now, they should be in the rural areas, creating employment for Kenyans because they have the resources, instead of sitting in Government offices and not doing anything for this country.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about the agricultural sector. We need to provide special initiatives to sugar, tea, maize and wheat farmers. Our country is giving licences to importers to bring in agricultural products to this country and yet our farmers' produce is being destroyed and getting spoilt in granaries. This Government should stop the importation of



agricultural produce in this country which will affect the farmers. We should also give farmers incentives by producing fertilizers and farm inputs at reasonable prices. There are cartels in the Ministry of Agriculture that are controlling the price of fertilizers in this country. They are selling fertilizer at an impossibly high price.

In the energy sector, I can see the Government is saying that it will get Kshs500 million from the Turkwel Power Station. This Kshs500 million is the money we have not seen for many years. In the telecommunication sector, I understand that Kenya has a lot of traffic on telecommunication and the income which is supposed to come to this country, which is normally settled in Dublin, has not been coming back here. We ask, as Kenyans, where this money has gone to.

There is a lot of disorganisation in this Government. In the month of December many hon. Members from the Front Bench were not even able to pay school fees for their children. You will find that now they are taking their children to posh schools, they have moved to high-cost areas and they have bought Rolex watches. Where are they getting this money from in the shortest time possible? We need this Government to monitor the behaviour of its Ministers. If possible, the Government should take quick action about this issue.

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

**The Member for Alego-Usonga** (Mr. Weya): Mr. Temporary Deputy Speaker, Sir, I beg to support.

**Mr. Angwenyi**: Thank you, Mr. Temporary Deputy Speaker, Sir. This was a very good Budget Speech by the new Minister for Finance in various respects.

First, it was a good Speech because it addressed the issues of micro-economics and the management of our financial affairs in this country. It was a good Speech because it addressed the problems of my people which is the issue of coffee. I wish it had addressed the problem of tea and sugar. This is a good Budget but it cannot succeed in achieving its aims unless this country embraces discipline in the way we behave and conduct our affairs. Our Cabinet Ministers should be disciplined in the manner in which they conduct the affairs of the State.

We should also have discipline in our transport system. The *matatu* transport system in this country is completely indisciplined and the Government seems to have no way of controlling and managing that sector of our economy. We should have discipline in our schools. The other day the Kenya Polytechnic students demanded the appointment of a principal of their choice. If we accept the culture of indiscipline in this country, we will never revive our economy or be able to develop and raise the standards of living of our people.

Mr. Temporary Deputy Speaker, Sir, the other issue I would like to comment on is on public enterprises. The Government has allocated Kshs120 million to prepare the Kenya Reinsurance Corporation for privatisation. People are not privatising the world over. We made a trip last year to Australia and we noted that they are not privatising; if anything, they are nationalising because of their assets. Recently, I was in Geneva and I noted that Switzerland is nationalising some of its assets. In fact, the investments of the people who have stashed funds in Switzerland like the former President Mobutu, Haile Selassie, and some Kenyans, are being nationalised so that the people of that country can enjoy them. We should avoid privatising our assets, resources and endowment as much as we can.

This Budget left out one major issue that is affecting this country. It avoided to state exactly how they would create 500,000 jobs per year in the next five years. As we all know, graduates from universities in Kenya have not been able to get formal employment in the last 10 to 12 years. Graduates from high schools and other institutions of higher learning have not been able to get jobs for the last 15 years. We are creating a seedbed for terrorism in this country. These Americans and Britons who are saying we have got terrorists in this country should wait and see. When our young people lose hope of getting jobs, they will become perfect terrorists. I would have thought that every item of the Budget should have stated how many jobs will be created or maintained by investing that amount of

the Budget.

The Budget did not address the issue of local authorities properly. We have the LATF funds which are paid to local authorities and they normally end up in the pockets of councillors. This money is not used according to the law. The law requires that a county council or a local authority can only receive LATF funds if their books are audited up to date. Most of the books of the local authorities have not been audited for the last 20 years and yet they are still using LATF funds. That is against the law. LATF funds are supposed to be given to the local authorities for specific projects and yet now they are being used to pay allowances to councillors who use the funds for their own entertainment.

The area of agriculture and trade is one aspect that this country has really not embraced. The World Trade Organisation (WTO) has come up with certain rules and conditionalities to which Kenya is a signatory. However, these rules are impacting negatively on this nation. Our unprocessed tea is exported to England which in turn processes it and becomes the greatest exporter of tea in the world and yet they do not have one single tree of tea. The same happens with coffee. Germany is the greatest exporter of coffee and yet they do not have one single tree of coffee in that country simply because the WTO has enjoined us and placed escalating tariffs for value added processing of our produce.

Our country should address this issue. They should have addressed the issue in Cancun (Mexico) and Geneva. We should beef up our delegation to WTO in Geneva. In fact, we should have a full scale ambassadorial position at WTO because that is where things to do with world trade and agriculture are now happening.

Mr. Temporary Deputy Speaker, Sir, the Co-operative Movement, at one time used to contribute about 40 to 50 per cent to our economy. However, it has been destroyed because of corrupt Co-operative Officers and management of those Co-operative Societies. In fact, instead of sacking the Supplies Officers, the Government should have fired all Co-operative Officers in this country. That would have revived our economy by 50 per cent.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, the Budget never addressed the issue of tourism, where sanctions have been placed on Kenya by the United States of America (USA) and the United Kingdom (UK). What they have done by their negative travel advisories, is actually, creating sanctions on Kenya. It is not better than what is happening to Zimbabwe, yet, we are not Zimbabwe. We are being punished for collaborating with the USA and the UK. This Parliament must take up the matter and express itself, with regard to those travel advisories which have been placed on Kenya, destroying our tourism industry. In fact, instead of allocating Kshs4.5 billion to National Bank of Kenya (NBK), for non-performing loans which have been taken by well-connected people--- Some, I believe, are hon. Members of this Parliament, who owe that institution to the tune of Kshs2 billion. They should channel this money to support our tourism industry, health services, agriculture or livestock. On corruption evils, we should seek to see that those who have stashed money out of this country must be made to return it and be forgiven their sins.

Mr. Temporary Deputy Speaker, Sir, on money laundering measures, I would urge this country to become the "Switzerland" of Africa. Let people invest in this country to enable us to make use of that money. Why do we want to avoid getting this money in the name of money laundering? If anyone wants to invest in this country, let us encourage him to do so, so that our country can develop and our standards of living go up.

Finally, Mr. Temporary Deputy Speaker, Sir, the Office of the President must concentrate on administration and security, and not involve itself in health, wildlife and family matters. These should not be the functions of the Office of the President.

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

**Mr. G.G. Kariuki:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. This year's Budget has given an indication that the NARC Government is willing to provide and fulfil all the promises it made to Kenyans during elections. That can be seen from the Minister's statement. He was very clear on what he intends to do in the next one year. Having commended him, I would however like to raise a few questions about what he did not say in his Budget and what we expected him to do.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about our external debt amounting to Kshs377 billion, but he did not explain how he intends to repay it, or whether he is going to work with the other African nations which are considered to be extremely poor to have those debts cancelled by the so-called international financiers. It is extremely important that Kenya should not pretend that we can survive while paying these debts. It is taking almost everything that we produce in this country. He also talked about the local debt which has sabotaged the development of this country. All the money that business people wanted to borrow for the development of their businesses has been consumed by the Government through local borrowing. That is a matter that the Minister should address and make sure that something is done about it.

There are few questions that all of us need to ask ourselves, especially the NARC Government. First, we promised this nation a Government of national unity. It is up to Kenyans to judge whether the Government which was formed represented all areas of this country. But I must submit that His Excellency the President tried as much as possible to give this nation a Government which he thought was for national unity. It is not easy to make everybody believe that the current Government is a government of national unity.

Mr. Temporary Deputy Speaker, Sir, another question that we need also to ask ourselves is whether we have given this country the security and peace that we promised during the campaigns. I want to submit that we are far away from satisfying Kenyans that we are giving them the peace and security they deserve. It is said in every documented record that if a government of any nation cannot give its own citizens security, then that Government is not worthy to be called a government. I believe what is important in this country is to give Kenyans security before anything else. We can pass budgets and Motions in this House, but without security, this country will never achieve anything. I think we promised the general public that after the NARC Government takes over, all the police officers and other security personnel will be retrained. They have been polluted by the previous Government up to the point of becoming irrelevant. I do not believe they are able to maintain security in this country. They connived with thieves for the last 24 years and it is very difficult to change them unless we decide to get rid of some of them and retrain the others. I submit that some of them are totally irreparable and you cannot train them. The only option left is to send them home and perhaps, try to do some other business.

We promised this nation that we were going to improve the provision of health services. There is nothing very special in this Budget to show that it is providing for health care. I believe that the people of this country need to see change. The six months that the NARC Government has been in power are enough to give the people of this country some indication that something new is taking place in health services. But if we visit health facilities in our constituencies, you will not see any change. We require qualified doctors to run our health centres, but they are currently manned by juniors like clinical assistants.

The other point, in principle, is to take care of all the roads in this nation. My question, and the biggest question that people are asking is: What have you done?

### QUORUM

**Mr. Sirma:** Mr. Temporary Deputy Speaker, Sir, I realise that we do not have the requisite

number. We do not have a quorum in the House.

**The Temporary Deputy Speaker** (Mr. Poghisio): Yes, you are right. We do not have a quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Mr. Poghisio): Order, Members! We have a quorum now. You may continue, Mr. G. G. Kariuki.

**Mr. G.G. Kariuki:** Thank you, Mr. Temporary Deputy Speaker, Sir, I am very grateful to the Members who have agreed to come back and form a quorum, because I think the hon. Member did not want me to continue.

Mr. Temporary Deputy Speaker, Sir, I was talking about the roads. I had just finished that subject. The other point I want to raise is the question of over Kshs300 billion, which we are told is with some individuals who have stashed it away in overseas banks. We want the Minister to be very categorical and come and tell us that he knows who the people are, and where this money is. It is very wrong for any Minister to make statements which he cannot substantiate. We want the Minister for Finance to confirm and tell this House that about Kshs300 billion, is with some people and he is doing everything possible to bring that money back in this country. Our foreign debt can be paid off by these people, since the money which they have stashed away in private accounts overseas exceeds the debt that we owe.

Mr. Temporary Deputy Speaker, Sir, the issue of wildlife-human conflict, is another point that we want the Government to clear. The Government does not have a clear policy on wildlife in this country to make us believe that we can live together with wildlife. I would like this issue to be dealt with as a matter of urgency.

Mr. Temporary Deputy Speaker, Sir, the other point I would like to make before my time is up is with regard to terrorism. Terrorism is a very serious issue. Who are terrorists and who are not terrorists? Are the Americans not terrorists themselves? Are the other terrorists not terrorists? Why should we suffer for things we are not responsible for?

Mr. Temporary Deputy Speaker, Sir, my time is up and I would like to support this Motion.

**Mr. Cheboi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion before this House.

I get very disappointed when I hear every other hon. Member who rises to contribute praising this Budget. I would like to say that this Budget is a rich man's Budget.

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

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

This Budget is a rich man's Budget because the Minister talked about allocating money to the horticultural and macadamia subsectors. He also reduced the tax levied on fertilized eggs. The Minister only touched on small subsectors of agriculture and left out the flower and cereal subsectors, which are the mainstay of the Kenyan populace.

The tourist sector is very important to our country. It was wrong for the Minister to talk about encouraging international tourists to visit our country by reducing taxes on aviation fuel and forget the fact that we also have domestic tourists. Mr. Temporary Deputy Speaker, Sir, we also heard the Minister talk about the Central Bank of Kenya (Amendment) Act. This Act only benefits

those people who can access credit from the local banks. As we all know, one can only access credit from our banks when he or she has collateral. This is why I am saying that this is purely a rich man's Budget. The Minister dwelt so much on accountability related issues, forgetting about the fiscal responsibility. You cannot talk about money accountability and fail to be fiscally responsible. These Minister, and the people from the other side of the House, spend too much time travelling to outside countries without considering that it is a burden to the Kenyan community.

I also want to say that from the day the NARC Government came to power, the hon. Members have indulged themselves in pursuing the past without any recourse to the future. I feel that when the NARC Government talked about reducing taxes on fertilised hatching eggs, they had only one thing in mind, to embarrass the local *jogoo*; KANU.

*(Laughter)*

Otherwise, why else would anybody have talked about fertilised hatching eggs and reducing taxes? Maybe, they wanted to render the *jogoo* of this country irrelevant.

Mr. Temporary Deputy Speaker, Sir, let me talk about the persecution of the former President. He contributed a great deal to this country. We now hear of a situation whereby day in, day out, he is being asked to record statements. Because one person has gone to some Tribunal and said that the former President told him something, the former President is asked to record a statement. Supposing I say today that he did not tell me anything, will he also be asked to contribute and write a statement on that? I feel that what is happening now is a direct persecution and this will have a bad impact on the economy.

Mr. Temporary Deputy Speaker, Sir, in the future, we want presidents, like the President we have now, to retire comfortably in peace. When we start harassing the former President, then other presidents may not want to retire. We should be praising our former President for having served peacefully and retired after 24 years. It is very wrong when he is harassed.

I also want to say that, the Government has got all its priorities wrong.

**The Assistant Minister for Finance** (Mr. Katuku): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not want to interrupt the speaker on the Floor; please sit down first. Is Mr. Cheboi in order to allege that the current Government is harassing the former President?

**Hon. Members:** Yes! Yes!

**The Assistant Minister for Finance** (Mr. Katuku): Mr. Temporary Deputy Speaker, Sir, it is the public who want him to go and say if--

**Mr. Cheboi:** Mr. Temporary Deputy Speaker, Sir, I do not think I am going to dwell on that. The Assistant Minister just wanted to stand up and say something and interrupt me.

I am very fortified--

**Mr. Mwenje:** On a point of order, Mr. Temporary Deputy Speaker, Sir!

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Mwenje! Allow the hon.

Member to continue!

**Mr. Mwenje:** Mr. Temporary Deputy Speaker, Sir, this is a very serious point of order!

**The Temporary Deputy Speaker,** ( Mr. Ethuro): Yes, but the Chair can rule you out of order. Order, Mr. Mwenje! Sit down! You are overruled. Mr. Cheboi, continue!

**Mr. Cheboi:** Mr. Temporary Deputy Speaker, Sir, I was telling you that the other side of the House is persistent at harassing everybody, including the Temporary Deputy Speaker of this House.

*(Laughter)*

I want to repeat that I am fortified to say the former President is being harassed.

**An hon. Member:** By whom?

**Mr. Cheboi:** He is being harassed by the NARC Government because what it has done is to have him--

*(Loud consultations)*

Let me continue and say--

**Hon. Members:** Sit down! You do not know that! Ketu Chini!

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Members! Order, Mr. Cheboi! I want to say that hon. Members on the Government side have no right to harass hon. Members on the Opposition side, and vice versa. So, can we let Mr. Cheboi to speak as we stay silent?

**Mr. Cheboi:** What I am saying is that it is not enough for this Government to be accountable. They also need to be fiscally responsible. A few days ago you saw a police helicopter being used to track innocent Maasai people just because they are protecting their animals from predators. Ministers from that side of the House have decided that wildlife is more important than human life, and even domestic animals. The Budget provides for a total of Kshs390 billion, which we are going to spend, but

we are being told that the amount which can be raised from our own revenue is less than Kshs240 billion. With that kind of deficit, I wonder how we are going to make it. We do not seem to care about anything other than pleasing foreign powers.

The Government has banned flights from and to Somalia. Flights to that country have been contributing an enormous amount of revenue to our coffers. We have banned those flights without considering the fact that the Governments of the United States of America (USA) and the United Kingdom (UK), in whose interests the Government of Kenya has taken this extra-ordinary action, have decided to advise their citizens not to travel to Kenya, thereby affecting our tourism sector. That way, we are hurting our own interests further.

Mr. Temporary Deputy Speaker, Sir, as you know, the Government has left our security agents to be supervised by external forces. In the last few days, the police have harassed residents of Eastleigh Estate. The residents of that estate are friendly, and are trying to engage in business in order to promote our economy. The police have done so at the whims of outsiders, who have advised their citizens not come to this country, thereby harming our tourism industry. The Minister went ahead and reduced tax on aviation fuel in order to please the nationals of those countries, so that they can come to our country. We have reduced tax on aviation fuel rather than reduce the tax on the fuel used by our vehicles.

When we talk of elitist crops such as the macadamia nut, I wonder what interest we have in it. We talk about promoting the macadamia nut and forget about promoting the cereals sector. The pyrethrum industry has collapsed. Both the Managing Director and Chairman of the Pyrethrum Board of Kenya who were appointed recently by the Government come from areas which do not produce pyrethrum; they have no interest whatsoever in the pyrethrum industry. That is how the agricultural sector is being managed. That is why when I saw one hon. Member after another praising this Budget, I could not help wondering whether hon. Members on the Government side were sleeping when the Minister was delivering his Budget Speech.

Mr. Temporary Deputy Speaker, Sir, we have to take care of our own population. We must look into the areas which are going to improve our economy. For example, the Turkana area--

**The Temporary Deputy Speaker** (Mr. Ethuro): Order! Mr. Cheboi, your time is up.

Dr. Mwiria, you may have the Floor.

**The Assistant Minister for Education, Science and Technology** (Dr. Mwiria): Mr.

Temporary Deputy Speaker, Sir, I thank you for giving me the opportunity to contribute to this Motion.

First of all, I would like to say that contrary to Mr. Cheboi's sentiments, former President Moi is not being harassed by the National Rainbow Coalition (NARC) Government. It is only that Kenyans are asking questions about certain misdeeds in which Mr. Moi was involved.

**Mr. Sirma:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Could the Assistant Minister tell the House the names of the complainants, so that we can know whether they come from the mountains or they are just the ordinary citizens whom we know?

**The Assistant Minister for Education, Science and Technology (Dr. Mwiria):** Mr. Temporary Deputy Speaker, Sir, you are aware that the name of the immediate former President has been mentioned adversely at the proceedings of the Commission of Inquiry into the Goldenberg Affair as well as at court proceedings touching on the Euro Bank scandal, among others. In all instances, it is not the Government which mentioned his name. Be that as it may, let me contribute to the Motion before the House.

I would like to thank the Minister for Finance for the substantial amount of money he has allocated to the Ministry of Education, Science and Technology. A lot of that money will go towards free and compulsory primary education. I commend him very much for doing so. Education is not only a basic human right, but is also the foundation for a lot of the socio-economic and political development of this country. A lot of that money will also go to payment of teachers' salaries. Again, that is important because, as they say, a good teacher contributes to more than 80 per cent of the input in a school. So, if you make a teacher happy, you will have done 80 per cent of the job. So, I think it is important that we reward our teachers.

Unfortunately, nothing has been allocated for university professors and lecturers. We are talking about teachers and civil servants being paid a little more, but the people who are responsible for supporting the efforts being made at both the primary and secondary levels, and who produce the manpower that runs our economy, were not considered. I hope that the Minister will consider setting aside some resources through some kind of a supplementary Budget, or amendments to the current Budget, so that we can improve the terms and conditions of service for our professors and lecturers.

On the issue of education, I look forward to the possibility of supporting private providers of education as long as they are not running schools for profit. There are many private school owners who have good institutions. It is important to make it possible for them to benefit in the form of tax exemptions on resources being used in schools. We should also provide space for construction of schools and charge low duty on the items that they import for schools.

The idea of attracting donor support is good. We should do everything to encourage donors to support programmes in this country. However, I think it is more important to ensure that this support is co-ordinated to avoid a lot of programme duplication. The HIV/AIDS programme is oversubscribed; a lot of money from donors is going there. If we co-ordinate donor support, it is possible for the Government to say we have so much money put in this sector and transfer some of it to another sector. This also applies to line Ministries. In the Ministry of Education, Science and Technology or any other Ministry, there is duplication of projects.

It is a good idea that the Government is thinking about supporting the area of Information Communication Technology (ICT) to make it accessible to most Kenyans. However, not much has been said or done about extending this facility to the rural areas. The beginning point is developing infrastructure like telephones and electricity that would make it possible for rural communities to be able to harness this technology. More importantly, where this is not possible, the Government should think of establishing satellite communication centres in strategic parts of this country. This will give the rural communities a chance to benefit from this revolution.

The Budget referred to the need to manage the resources that are being provided.

Unfortunately, putting this money in the Government, in many ways, is like putting new wine in old wine skins. Many people who manage these resources are thinking in the same old ways. There is need to change the mindset of the people that run these resources. This can be done through holding long-term and short-term training or workshops. We can also reshuffle officers if necessary, redeploy some and replace others. There is also need for fiscal discipline; especially at the level of the Ministries. I do not see why a Minister should have four cars. Two cars would be enough; one saloon car and one four-wheel drive. A Permanent Secretary should only have one car. We can go down and supervise the use of these vehicles. We can also find out how much money is used to pay telephone bills, electricity bills and how stationery is procured. I am saying that there is great opportunity for cost saving at the Ministries. We have to begin at this point as we talk about discipline.

A lot has been said about taking measures to revive our economy, but not much has been said about the need to support science and technology. We should support our research institutions that are involved in science and technology. These are the basis for innovations in the area of science. It is important for us to think about putting more money in these institutions and also ensure that the people recruited to run them are competent and competitive. We should ensure that they can do research that will be the basis for development in this country.

Let us also set aside resources for the development of the jua kali sector. It would be useful to start jua kali co-operatives in the rural areas.

It is necessary to introduce new crop varieties in the agricultural sector, especially drought resistant crops in North Eastern Province and other dry parts of this country. West Africa never experiences famine because they have come up with crop varieties that are drought resistant. About 70 per cent of this country is drought prone. It is important for our research initiatives to borrow from countries that have experience with drought resistant crops. This also refers to different varieties of livestock and bird species.

There is need to also harness irrigation possibilities. It should go beyond focusing on areas that are dry. There are areas in this country that have a lot of seasonal rivers. In many countries of the world including India, these seasonal rivers have been used to develop different types of irrigation systems; the check and sub-surface dams. We should also experiment with this in the semi-arid areas.

In terms of tourism, we have said a lot about the need to bring *wazungu's* back to this country. But I do not think we have said enough about bringing more Africans to Kenya, and getting Kenyans to visit other parts of this country. The tourist industry in Europe has not been developed by Africans and Americans visiting Europe; it is the Europeans themselves touring Europe. I think it is important that, as we think of relaxing visa regulations, the focus should be much more on Africans. The focus should also be much more on encouraging my friends from the Rift Valley to come to Meru more often, and for us in Meru to go visit them. This is not only going to promote tourism, but it is also going to be the basis for our national unity. Talking about foreign tourists, I think our airport is one of the most uncomfortable, and I am glad that certain measures are already being taken.

With these few remarks, I beg to support.

**Dr. Ali:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute, after standing here for a long time.

I want to congratulate the Minister for Finance for allocating a big amount of money to the Ministry of Education, Science and Technology. But, while the money has been allocated to the Ministry, I would like to urge the Minister for Education, Science and Technology to support schools in rural areas, especially those boarding schools in arid areas; so that the people in the pastoral and very arid areas can benefit from the free and compulsory primary education. This is because if boarding schools are not supported, and grants are not given, it will be unfortunate, because people in those areas will not really benefit from the free and compulsory primary education that all Kenyans are enjoying right now.



Mr. Temporary Deputy Speaker, Sir, I want to stress more on the issue of security. While supporting the money allocated to security, or departments in the security docket of this country, I think it would be very unfortunate if our security will be dictated by people from outside this country. We cannot be told what to do by the Americans or the United Kingdom (UK).

*(Applause)*

I think this is very sad, and if this country is to take care of its people and its citizens, then it should develop ways and means of taking care of the security of this nation. We should spend our money on what we can afford, not on what we are told to spend it on. If America and the ambassadors of the United States of America (USA) and UK think that there are terrorists in this country; who they claim are less than twenty, why do they not inform our security officers, so that each one of them can be picked from wherever they are? If they cannot do that, then they should stop lying to Kenyans and the people of the world. Look at the issue of imposing a ban on flights to Somalia. Somalia has no government. Somalia is in problems. The people who claim to be the leaders of Somalia are here in Kenya. The warlords and the so-called political leaders are all here in Mbagathi. They can all be brought together at once and told: "We want you to go and form a Government now". America is a dictator and it is capable of doing that. Why can they not dictate to the Somali warlords to go and form a government there, take the American army there and make sure that the so called Al Qaeda network in that place is all cleared? If they cannot do that, why harass us here in Kenya? I think this is terrible! It is unfortunate that all of a sudden, our Ministers are saying: "We will do all that is needed." By who? Kenyans, Americans or Britons?

Mr. Temporary Deputy Speaker, Sir, one year down the line, even people from Central Province are running all over saying that: "We want our land back." There are tribal clashes every where. Their land has been taken over by a few whites. Most of Central Province is owned by some few individuals. Go to the Rift Valley Province and it is the same thing. People are fighting over a few hectares of land while the Kenyan land has been taken over by a few whites who are enjoying themselves in some big clubs in Kenya while their brothers and sisters in their home countries are told: "Do not go to Kenya since it is dangerous." I think this is very unfortunate. This is very sad and if we allow ourselves to be pushed to the corner and allow others to rule us, then we should go back to the 1960s and have white DCs, DOs and governors to rule us. If we achieved our Independence, then we should tell them what is right. That is why sometimes I admire the former President Moi because he used to tell them: "Go to hell since I am the President of this country." I think the NARC Government should stand up on its two feet and say: "We are the Government of Kenya and we cannot be dictated to by the US or the UK."

Mr. Temporary Deputy Speaker, Sir, three constituencies in Meru were getting over Kshs10 million per day from *miraa* sales. Airlines in this country were getting millions of shillings by transporting those goods. Those constituencies in Meru, especially in Nyambene District are experiencing problems. The Somalis, who are mainly traders and consumers of the *miraa*, are experiencing problems. Is the NARC Government going to compensate the Somalis and Merus for the loss of revenue due to low *miraa* sales or is the American Government going to compensate them? I think this should not be allowed, and it is very unfortunate. If the American Government wants to have a base in Kenya, let them pay dearly for it. They are paying other countries. Why are the donors saying do not do this? If they want to pay for it, allow them. Let them pay dearly for it so that we do not have to suffer.

Mr. Temporary Deputy Speaker, Sir, why is our tourist industry going down? It is because of the so called travel ban. The other European countries have reduced their security alert level. Let us encourage them to do so. What is wrong with America and Britain? I think this is not right. Britons

should stop behaving in that manner and we should be working like an independent country which is ready to suffer for the sake of its own people and to support Kenyans instead of being told to look for imaginary terrorists. We spend money on imaginary terrorists. We spend money on harassing innocent Kenyans just because of their colour, but who have done nothing wrong. However, I do not think the Minister was right to reduce the money allocated to the constituency Development fund. Although the Minister for Finance has done his best to explain the problems that are there, he ought to have closed his eyes and given Wajir North Kshs20 million. We would have been grateful forever because we cannot get that money from any other source. If every constituency could get the Kshs20 million, everybody in the country would be very happy. Hon. Members would be able to undertake projects in their constituencies and people would not run everywhere after Ministers asking for dams, boreholes and grants for schools. I would urge the Minister for Finance to allocate us the money when he gets the funds. The money will help all of us. It will also make him a hero in this country and, in the years to come, we will make him the President of this country.

*(Applause)*

By allocating us that money, the Minister would have gone a long way in helping the NARC Government to create the 500,000 jobs it promised. If every constituency could get the Kshs20 million, many people would benefit through job creation as hon. Wamunyinyi told me here. Hon. Members would be proud to create a number of jobs for their constituents. I would be proud to say that: "In Wajir North, I have created a number of jobs." Hon. Wamunyinyi and my hon. colleague sitting next to me, would tell him the same. The 500,000 jobs will then be there! That will be helpful for all of us and it will give the NARC Government a good name because we know the problems we faced trying to get the Kshs5 million for the Constituency Road Boards. The money for the Constituency Roads Board has done a good job. Indeed, this particular development fund would have done a better job and posterity will remember the Minister because of it. People will one day say: "During hon. Mwiraria's tenure as the Minister for Finance, the Constituency Development Fund was set up".

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, while appreciating the small amount of money that was given to revive the Kenya Meat Commission (KMC), I think it was not enough. Will it do the work it is required to do? I do not think so. I want to thank the President for creating the Ministry of Livestock Development. That Ministry should be given enough funds. The Minister for Livestock Development is a very responsible and hard working person. He is also a good friend of mine. I think he is capable of doing a good job for the Ministry. If he is given enough funds, I am sure, people in the arid areas and the pastoral communities in this country will be encouraged to support the NARC Government in all its endeavours. So, one of the ways of trying to help the pastoral communities is to make sure that the Minister and his personnel go out to the arid areas.

I beg to support.

**Mr. Kembi-Gitura:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. I want to thank you for allowing me the opportunity to say a few things about the Budget Speech that was delivered by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, it is common knowledge in our country that at Independence, Kenya was economically at par with the so called economic South Eastern Tigers Nations, if not better than most of them. One has in mind South Korea, Malaysia and Pakistan. Presently, we cannot say that we are anywhere near those nations. We have lagged behind greatly. I

would like to say that, it was not due to lack of human resources that we have continued to lag behind. I would like to quote or orchestrate the words of the Minister for Finance when he delivered the Budget Speech. He said that the economy could have done much better if the Government utilised the resources it raised through taxes and debts efficiently. We know that has been the main reason for us to lag behind other countries that we were at par with at Independence.

Mr. Temporary Deputy Speaker, Sir, I would like to say, without fear of contradiction, that over and above the under-utilisation of the facilities that we had, we had too much corruption, self-centredness, ineptitude, tribalism and utter greed are some of the factors that have pulled us backward. It is my humble submission that those are the things that have kept us lagging behind when those other countries prosper. I would like to reiterate that, at no time, was our country lacking in human resources. In my opinion, a good example of ineptitude in our country, is the state of infrastructure. If you take the roads that have been reconstructed recently-- For example, the Nairobi-Nyeri or Murang'a-Makutano roads have withstood the test of time for many years. But because of the ineptitude on the part of the planners, those roads have been done again at a very great cost to the taxpayer. My submission is that, if those roads were taken care of and repaired from time to time as need arose, the Government would not have spent as much money as it is now spending on them. It is common knowledge that the poor state of the infrastructure has cost this country tremendous sums of money. Products have not been delivered to the market places in time. For example, in Central Province and parts of Rift Valley, the avocado industry was very lucrative. But it has now collapsed because the fruits could not be delivered to the port in time. Therefore, the foreign importers had to abandon it.

Mr. Temporary Deputy Speaker, Sir, as we all know, there has been a lot of wastage in this country. We know that a lot of it has been as a result of extremely poor planning. Sometimes back, construction of offices for district commissioners was started all over the country. But it was later abandoned for the simple reason that there was no proper planning. We had districts which were created haphazardly, without the Government giving thought to where the finances would come from, for creating the capacity of the infrastructure. As a result, the whole country is dotted with incomplete District Commissioners' offices and other facilities. Some good examples are Murang'a District Hospital and Muriranja Sub-District Hospital in Kiharu Constituency. The construction commenced, but the works were abandoned half-way through. That is a total waste of Government resources, and apart from the money lost, nobody benefitted from that facility.

The best example of incomplete projects is the National Youth Service Complex at Ruaraka. The NARC Government should decide whether it wants to have the National Youth Service Complex at Ruaraka sold, so that a private developer could finish it, or whether it wants to complete it. That facility has been standing idle along the Thika-Nairobi highway without benefitting anybody for 15 years. That is a very good example of extremely poor planning on the part of the former Government. But it is a challenge to the NARC Government to decide whether it will make good the promises it made during the elections. We should make Kenya a country to be proud of.

My submission is that the Government must have financial discipline. I believe that, that is the only way to end corruption in this country. The days of favouritism and tribalism must be seen to have come to an end. We do not want it to be just by way of window dressing. We want it to be real. We want to tell our people that the NARC Government is working towards a real situation. I submit that meritocracy must be the only yardstick for us to get out of the quagmire that we find ourselves in.

The Minister for Finance dealt at some length on the parastatals. Parastatals have continued to make losses year in, year out, for no reasons that can be explained. I believe parastatals have made losses because of ineptitude, sheer theft and laziness on the part of the people entrusted with them.

Mr. Temporary Deputy Speaker, Sir, I am not surprised that this Government has put many parastatal heads to task. Currently, many of them have cases to answer in courts of law because of the

losses that have been made as result of corruption and abuse of office. It is my submission that, if this had happened 20 years ago; if we had finished the rot in the parastatals 20 years ago, I believe we would be at par with countries that have already overtaken us, as we continued to retrogress instead of progressing. It is my hope and prayer that the NARC Government is not just window dressing. I want to believe that the Government is serious when it is dealing with corruption and showing zero-tolerance towards it. I would like to see those parastatal heads being a lesson to those who would otherwise think they can continue with those wayward ways of dealing with public institutions.

Mr. Temporary Deputy Speaker, Sir, Kenyatta National Hospital is just an example of a hospital that should have continued making profits. It is a hospital that should have come out of the very pathetic state it has been in for very many years. However, we all know that, that was hindered by heads who were busy seeking favours, when drugs continued to expire in the stores. I believe that when we are told, like we have continued to hear recently, that people who were heads of those institutions were ordered by somebody to plunder and wreck public institutions, my submission is that, that should not and can never be a reason. It is the duty of a public officer to resign from his position than be manipulated to do what he otherwise believes is wrong. It can never be a defence for somebody to stand up and say: "I was told to sell drugs! I was told to deposit money!" Those are matters of common sense and that is why people resign and say: "I cannot continue in that position because it compromises my personal integrity and my beliefs." Those should not be defences in the least, and those people should be made to pay because they are the ones who threw common sense out of the window and continued maintaining corrupt practices.

Mr. Temporary Deputy Speaker, Sir, I do not agree with the Minister for Finance when he says that parastatals that have been making losses should be sold, divested or privatised. My view is that, if parastatals are expected to make profits once privatised, then it means that they can still make profits when they are still parastatals; if they are managed properly. I started by saying that this country is not lacking in manpower or human resources. There are very well qualified people. If we remove tribalism and if reward meritocracy, I believe that parastatals will wake up again and make hefty profits which are so dearly needed by this country. I, therefore, do not believe that the reasons given for privatisation are non-performance or making of loses. It would be unfortunate if the Minister is proposing to off-load those parastatals.

**Mr. Mwanicha:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to the Budget Speech. The Budget was commendable in a number of ways. The funding to the education sector, towards the free education programme, is quite commendable. It has given a chance to children from poor families in the countryside to go back to school. The decision to pay teachers their salaries, which the former Government was unable to do, is also commendable. It is also commendable that, at the beginning of the year, top officials of the NARC Government had gone public and said that there was an intention to stop Harambees. Many people saw that as a commitment by the Government to even out development in all the constituencies in this country.

Mr. Temporary Deputy Speaker, Sir, it was commendable that the Minister saw it wise to reduce the Value Added Tax (VAT) from 18 to 16 per cent. Unfortunately, what is obtaining on the ground despite the fact that people received those news with jubilation - is that consumers have not experienced any reduction in the prices of the goods. The prices are the same as they were, prior to the reduction of VAT.

Mr. Temporary Deputy Speaker, Sir, it is unfortunate that the Civil Service salaries have not been regularised throughout the country. Due to this, you will have disparities among people working in the same Ministry. For example, doctors, are well paid but the support staff are not. This is demoralising. In the Judiciary, the judges are well remunerated but the magistrates and the support staff are not paid well. This is a source of corruption. There is need for the Office of the President to look for a way of regularising salaries throughout the country in the Civil Service, so that one sector is

not well paid while the rest are suffering.

Mr. Temporary Deputy Speaker, Sir, it is rather unfortunate that the whole of this House is unhappy. We should not take lightly, the fact that there is a fight and the people of this country were prepared to receive Kshs20 million in every constituency. I wish the Minister was here to hear me. Out of the Kshs20 million, only two million was allocated. This is extremely unfortunate because as Members of Parliament, we had gone to our respective constituencies and informed people that they were to receive Kshs20 million. We had even gone further and chosen development committees in our different constituencies. I do not know what we shall tell those people, now that the funds were not allocated.

Mr. Temporary Deputy Speaker, Sir, I am urging the Minister for Finance, to move with speed and bring up the Supplementary Budget and allocate each constituency Kshs20 million. This is the only way all our areas in one year will receive funding for the various development projects. Otherwise, what is continuing to obtain on the ground is sycophancy. For some of us to get electricity projects in our areas, it is like emperor worship. This should be long gone, and we need to change. The only way to achieve change is for the Kshs20 million to be allocated to each of our constituencies. The District Roads Boards are given a fund of Kshs5 Million in each district. For us to be fair and because we want to be re-elected, we should make sure that the funds are utilised properly. That is why we have the rules in the country-side. These Kshs20 million should be provided.

Mr. Temporary Deputy Speaker, Sir, we have heard in this House that the NARC Government will provide security to all the people of this country. It is unfortunate that this is not happening. In fact, there has been an increase of insecurity incidences since this Government came into power. In my own constituency, five people were killed. I rose here on a Point of Order demanding why they were killed and to date, I have not been given an answer. You can see the laxity of this Government, even from the Front Bench. In that case, I would suggest that there be a reshuffle and Mrs. Mwau be given a Ministerial seat because rather than letting the benches remain vacant, she has opted to give them company. In my constituency, the Police Division does not have a single vehicle.

Most police stations in Nyamira District including Keroka and Manga do not have a single police vehicle. Therefore, the policemen are not able to respond to alarm calls. As a result people are being killed. Three weeks back, a lady was killed. People raised an alarm and sent the report to the police station, but the police could not move because they do not have vehicles. Since there are no Government vehicles in my area, people are hiring *matatus* to transport the police. Since the owners of those *matatus* do not want the vehicles to be seen carrying policemen around, they take mud and smear the number plates. It is becoming a joke. A government worth its salt should not do that. Let the Government provide sufficient vehicles and label them so that even when they are going round the countryside at night, the people know it is the Government that is working. How can a vehicle whose number plates have been concealed come to arrest anybody from the villages at night? We will not allow that kind of thing to happen to our people while we sit here and tell them that we represent them. We urge the Government to allocate sufficient funds to improve security so that our people are secure and they can go about their business as they require.

Mr. Temporary Deputy Speaker, Sir, I was disappointed that nothing has been said about those people who were displaced during the land clashes. Our people who lived in areas like Molo, Nandi and such places were chased away. We blamed the KANU Government for this, but now we have the NARC Government. What has the NARC Government done to resettle these dependent people? They are still homeless and they are dependent on others for survival. These are the people who had bought their own farms and settled there. The Minister in charge should move with speed to resettle these people.

On agriculture, we continue to give lip service to a sector that is the engine that drives the economy of this country. For cotton, there is the AGOA facility. The Americans have said they will buy as much apparel that is coming from this country. Where is the Cotton Lint and Seed Board? It is still moribund. Cotton production in this country is just cosmetic and we urge the Minister to revamp that sector by restoring the Cotton Lint and Seed Board on its feet so that those farmers are able to reap the benefits from their farming. The surest way to improve the economy of this country and the per capita income of Kenyans is through their participation in agricultural activities because this will keep everybody working in their respective areas. Mr. Temporary Deputy Speaker, Sir, we have said we will encourage a working nation. Where will people work if they do not have affordable credit for their agricultural activities? If we do not have this, we will continue having an influx of people into the cities and main towns, and that will not make us a working nation.

On KCC, the people have their milk, but unfortunately they do not have a market to sell it. After the collapse of the KCC, there came up private dairies. These are not able to collect milk from all areas of this country. As a result, many dairy farmers are getting discouraged. We have been informed that the Minister intends to pay the owners of KCC 2000 a whopping Kshs400 million to get back KCC whose asset value was Kshs5 billion. These people got KCC fraudulently. Why are we paying for it? Why can Mr. Tuju not tell them what he did with the KICC so that they can follow his style?

On rice, we had rice paddies. What was---

**The Temporary Deputy Speaker** (Mr. Poghisio): Mr. Mwanicha, your time is up.

**Mr. Mwanicha:** With those remarks, I beg to support.

**Mr. Were:** Thank you, Mr. Temporary Deputy Speaker, Sir. I will begin by thanking the Minister for a good Budget. He recognised that during the previous years, the economy has had a decline in growth. By last year, it had dropped to 2 per cent while the population was growing at a higher rate of 2.4 per cent. He also revealed that the domestic and external debts had increased to a very high proportion and by last year, they amounted to Kshs629 billion. During the same period, interest rates on those loans had gone quite high which was a burden to our country. We also realised that during the same period, so many unpaid liabilities were pending. These ones were due to exaggerated bills which the Government had to pay.

He also recognised various issues in the country; that is, security, the Judiciary, prisons and other things which were to be improved. On security, it has been said that when America sneezes, the whole world catches a cold. But in our case, it is even worse than that because when America sneezed, we caught SARS. It became so serious that everything went haywire. We were forced to stop so many things. When they said that there was insecurity in the country and that we are terrorists, we woke up immediately and arrested people. We do not know how we reacted so fast to the Americans when all these years we had never arrested those people. It is my opinion that we should not be reacting too fast to the whims or instructions of foreigners. This means that we are lacking independence.

Mr. Temporary Deputy Speaker, Sir, we have also noticed in the Budget Speech that the Minister for Finance has looked at the banks favourably. He has instructed that interest rates charged by banks both on borrowing and lending should be made public so that the Central Bank of Kenya can control these rates. He has also talked about non-performing loans and promised that stringent measures will be taken so that those loans are regularised. He has also looked at the core capital requirement and reduced the paid up capital for banks from Kshs500 million to Kshs250 million, and for financial institutions from Kshs375 million to Kshs200 million. This is a very good measure because it is going to encourage our own people, who have been unable to open banks before, to start banks. I also realise in this case that this kind of reduction is going to be beneficial to a few communities especially the ones of Indian origin. At these low values, they will be able to start many banks.

On the insurance sector, Mr. Temporary Deputy Speaker, Sir, the Minister for Finance talked

of various measures which are being put in place. Without a strong insurance sector, however strong the economy is, it will be very dangerous because all the investments that we have, have to be insured so that if any risk occurs, we have something to fall back on. We now realise that the insurance sector is a department in the Ministry of Finance. I would urge the Minister to set up a separate body just like the Central Bank of Kenya to run the insurance industry so that it is strengthened. This will ensure that we do not rely on reinsurance companies from outside.

Mr. Temporary Deputy Speaker, Sir, on local authorities, the Minister has allocated Kshs3.75 billion to the Local Authorities Transfer Fund (LATF) which he says is a 25 per cent increase over the previous year's allocation. From our knowledge, we know that the local authorities right now in the country are very corrupt. Increasing this amount without putting in place checks and balances means that the money will go to waste. To me, I would have suggested that instead of increasing the LATF money, this money should have been used in the Constituency Development Fund. It would have been more beneficial to our constituents.

*(Applause)*

On the expenditure re-allocation, we realise that the Minister has recognised that many Ministries require more funds. The road network in our country is so dilapidated that it requires a lot of work on it. He has increased the allocation to the Ministry of Roads, Public Works and Housing by about Kshs3.4 billion, which, to me, is still less than what we require to revamp our roads, so that even in the agricultural sector, we should be able to take our produce to the required markets. We commend the Government for offering our children free primary school education. This was a promise it made to Kenyans during the campaigns and it has fulfilled it. However, we have not done so well in this area because of lack of funds.

Mr. Temporary Deputy Speaker, Sir, I will move a bit fast, especially on agriculture. I realise that the Minister made a lot of political statements in his Budget. What he said in the Budget is what we have been hearing all along. The Minister did not come up with serious measures to assist the farmers despite doing a lot for the investors. The Minister reduced the Excise Duty, Value Added Tax (VAT) and import duty on machinery but forgot the farmers, especially the sugar-cane farmers. I am saying this because before the Budget was read, the Minister for Agriculture promised sugar-cane farmers that Kshs2 billion would be set aside to clear their debts. But when the Minister for Finance read the Budget in this House he did not mention this amount of money which was to benefit the sugar-cane farmers.

Most of the farmers in the sugar-belt are really suffering. Right now, if you go to the Nairobi Stock Exchange (NSE), you will find that Mumias Sugar Company's shares are selling very fast. This is happening and it is the farmer on the ground who is suffering. This farmer sells his shares for between Kshs1.50 and Kshs2, when the same shares go for Kshs3.65 at the NSE. The farmer is suffering because he does not have money. The Government should reduce the taxes on sugar-cane so that sugar-cane farmers earn more money. I am a sugar-cane farmer. I started sugar-cane farming in 1997. I have a statement here which is very surprising, because at the end of the year I came up with a debit despite investing a lot of money in sugar-cane farming. I wonder what is happening to the sugar-cane farmer who is on the ground and does not have money to tend his crop. All of them are getting debits. They do not make any profit because of the high taxation on sugar-cane.

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

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Ethuro): Hon. Members, it is now time for the

interruption of business. The House is, therefore, adjourned until 2.30 p.m. today.

The House rose at 12.38 p.m.