

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 25th June, 2003

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

## PRAYERS

## ORAL ANSWERS TO QUESTIONS

*Question No.089*

### TRANSFER OF NACC FUNCTIONS TO HEALTH MINISTRY

**Mr. Sungu** asked the Minister of State, Office of the President, when the functions of the National AIDS Control Council (NACC) will be transferred to the Ministry of Health.

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, I wish to seek the indulgence of the House to have this Question deferred. The answer with respect to this Question is not ready, but I would like to bring it on Tuesday next week.

**Mr. Speaker:** Is that okay with you, Mr. Sungu?

**Mr. Sungu:** Mr. Speaker, Sir, as you would notice, this Question is No.089 and it has been with the Ministry for quite sometime; since the beginning of the year. I want to know why the answer is not ready, or if it is ready, why the Assistant Minister cannot answer it today.

**Mr. Speaker:** Well, let us give him until Tuesday. He probably has one or two difficulties. The Question is deferred.

**Mr. Sungu:** Thank you.

*(Question deferred)*

**Mr. Speaker:** Next Question, Mr. Ethuro!

*Question No.263*

### SURRENDER OF ILLEGAL ARMS IN TURKANA

**Mr. Speaker:** Mr. Ethuro not in? There are a few Ministerial Statements and I will give Ministers a chance to inform the House. So, if by the time we finish Question Time Mr. Ethuro will

not be here, the Question will be dropped. In the meantime, it remains like that.

Next Question, Mr. Muturi!

**Mr. Muturi:** Mr. Speaker, Sir, I had spoken to the Minister for Health and she had told me that she did not have a satisfactory answer to my Question.

**Hon. Members:** Ask your Question!

*Question No.291*

AWARD OF HEALTH MINISTRY TENDER  
NO.MOH(1)99-2000

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

(a) what the terms and conditions of Tender

No.MOH(1) 99-2000 which closed on 9th September, 1999 were;

(b) who was awarded that tender and at what price and why; and,

(c) who the other bidders were and if she could table a list showing each quotation and the technical evaluation for each bidder.

**Mr. Speaker:** The short and long of it is that you want it deferred. The Question is deferred.

*(Question deferred)*

**Mr. Speaker:** Next Question, Mr. Obwocha!

*Question No.303*

REDUCTION OF POWER TRANSFORMERS' COST

**Mr. Speaker:** Mr. Obwocha also not in? We will come back to the Question later. For the second round, Mr. Ethuro's Question!

*Question No.263*

SURRENDER OF ILLEGAL ARMS IN TURKANA

**Mr. Speaker:** Mr. Ethuro still not in? The Question is dropped.

*(Question dropped)*

**Mr. Speaker:** For the second time, Mr. Obwocha's Question!

*Question No.303*

REDUCTION OF POWER TRANSFORMERS' COST

**Mr. Speaker:** Mr. Obwocha still not in? The Question is dropped.

*(Question dropped)*

### QUESTIONS BY PRIVATE NOTICE

#### KILLING OF MR. MAMO GUBO

**Mr. Sasura:** Mr. Speaker, Sir, before I ask my Question, I would like to seek your indulgence. I have never received any written answer since this Government came to power. I do not know whether that is the new order of the NARC Government.

Nevertheless, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that on the morning of 12th June, 2003, at 2.30 p.m., police invaded Hurlingham Village, Ruai Location of Embakasi Village, killing Mr. Wako Mamo Gubo and injuring eight others?

(b) Could the Minister explain who authorised the operation to torment innocent Kenyans who were asleep at the time of the incident?

(c) Since the incident took place, what action has been taken against the culprits to assure the residents of justice for all?

**Mr. Speaker:** Well, let me just respond to your first complaint. The emergence of a new Government does not overthrow the Standing Orders. So, they are still in place and Ministers are obligated to give answers to hon. Members so that they can prepare for supplementaries. So, is that understood?

**Mr. Khamasi:** On a point of order, Mr. Speaker, Sir. Could you, please, clarify as to the timeframe of giving answers? More often than not, we get answers when the Questions are just about to be asked.

**Mr. Speaker:** Well, ordinarily, it should come before the sitting of the House. If it is a Question by Private Notice, as you know---

*(Mr. Obwocha stood up in his place)*

Order! Order! Can you let me finish? Mr. Obwocha, you have come when your Question has been dropped and you are stopping me from talking! It is not my fault! Would you, please, let me finish my job?

As I was saying, you must give hon. Members answers in good time for them to prepare for supplementaries. Please, take that seriously. It is important that hon. Members get in good time the content of a reply a Minister is going to give so that they can prepare for supplementaries. So, that is my guidance to Mr. Khamasi.

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. Please, hear me because the Assistant Minister for Energy has informed me that he has already seen the Speaker about this Question. So, I am not asking much. I am only asking to be told when this Question will be on the Order Paper next time.

**Mr. Speaker:** I am sorry. In fact, you are absolutely right, Mr. Obwocha. Mr. Kiunjuri called me away from Nairobi and he had asked that the Question be deferred. I, therefore, reverse the order

to drop it and I will defer it to sometime next week. Thank you for bringing it to my attention.

*(Question deferred)*

**Mr. Obwocha:** Much obliged, Mr. Speaker, Sir.

**Mr. Muiruri:** On a point of order, Mr. Speaker, Sir. Last week, I received an answer that was not signed. These answers are authorities in this House and hon. Members would always use them when explaining issues in their constituencies. Is it in order for this Government to continue issuing answers in this House which are not signed?

**Mr. Speaker:** Well, so long as it is not signed, it is not an answer; it is an anonymous leaflet. I think the Ministers can get time out of their busy schedule to, at least, authenticate their replies.

Proceed, Mr. Tarus!

Mr. Tarus, are you reluctant to answer the Question?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, before I answer this Question, I just wanted to wonder aloud because Embakasi has a Member of Parliament and the hon. Member who asked the Question comes from Saku.

**Mr. Sungu:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to say that the Member of Parliament for Saku is not allowed to ask a Question about anything in this Republic, being an elected Member of the National Assembly of Kenya?

**Mr. Speaker:** Order! There are two things here: First, Members of Parliament are free, and I repeat, free, to ask a Questions from any part of this country about anything. Secondly, are you under any instructions to state that, Mr. Tarus?

*(Applause)*

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, I withdraw my statement.

Mr. Speaker, Sir, I beg to reply.

(a) I am aware that on the morning of 12th June, 2003, police executed an eviction order on authority of Court Order No.249, dated 20th May, 2003, on plot No. LR.682/2 in Embakasi. The cause of the death of Mr. Wako Mamo Gubo has not been established, as nobody has come up to record a statement to facilitate investigations into his death.

(b) The operation was authorised by a court of law that directed the Officer Commanding Police Division, Embakasi, to execute the eviction order. It was not meant to torment the residents.

(c) Police have already commenced investigations into the death of Mr. Wako Mamo Gubo.

Thank you.

**Mr. Sasura:** Mr. Speaker, Sir, I find it a bit difficult to ask a supplementary question when I get that kind of an answer. The Assistant Minister has said very clearly that the police were executing an eviction order dated 20th of June, 2003, on the 12th of June, 2003! There is a clear collusion between the police and the courts and the Assistant Minister does not know what he is talking about.

On that particular day, that is the day we were here for the Budget--- The police are very good in arresting people on Friday, so that they can stay up to Monday in the police cells. They are also very good in arresting people on national holidays. Now, they are very good in arresting and tormenting people on Budget Day, because they know the Press is here and the police attention is on

Harambee Avenue. Could the Assistant Minister tell us how such a massive operation could be carried out by more than 43 policemen with hired thugs? I went there the following day and saw somebody's arm. I am sure if the Assistant Minister saw it, he would collapse. Could he tell us who ordered the operation because the Provincial Police Officer (PPO), Nairobi, was not aware? Could you tell us who ordered such a massive operation if you, as the Assistant Minister, are not aware?

**Mr. Speaker:** Can we get some facts right? Was the order dated 20th? Was the eviction done on 12th June, 2003?

**Mr. Tarus:** Mr. Speaker, Sir, the eviction order is dated 20th May, 2003.

**Mr. Sasura:** Mr. Speaker, Sir, it is true that there was an eviction order, but that order was set aside and an order was brought to the PPO, Nairobi, on 12th June, 2003, at 5.00 p.m. The operation was carried out at 2.30 a.m. at night. That order was purely set aside by courts. Are you aware?

**Mr. Tarus:** Mr. Speaker, Sir, I have to confirm that information.

**Mr. Speaker:** As a matter of interest in the House, are eviction orders effected by police officers at night?

**Mr. Tarus:** It would be improper if they are effected at night.

**Mr. Speaker:** Would you like more time?

**Mr. Tarus:** Mr. Speaker, Sir, I would apply for more time.

**Mr. Speaker:** What is your reaction, Mr. Sasura?

**Mr. Sasura:** Mr. Speaker, Sir, as I am speaking now, the residents are living in fear and they are actually living outside. The children are living outside. That arm is still in the farm. The owner of the arm that was cut is in Kenyatta National Hospital and you had better look for him to claim the arm. It is either the police or the *Mungiki* who were brought there to kill those Kenyans. For the sake of security, could the Assistant Minister bring the answer tomorrow afternoon?

**Dr. Godana:** Mr. Deputy Speaker, Sir, to be of help, if the Assistant Minister is being given the opportunity to go back and bring a better answer, it is right that we indicate to him some of the issues that we would want him to highlight, because this is an important matter. He would have to address his mind to:

First, the question of the legality of implementing a court order at night. Secondly, that there was, as a matter of fact, an order that had overruled the court order that the police are claiming to have acted under. Thirdly, that among the people who accompanied the police that hour, there is someone who lost his arm. The arm was left on the ground. The police have to look for that person. Fourthly, since the Assistant Minister said that the police were acting pursuant to an order, they definitely know the list of police officers who went there and obviously, the one who shot that man as he was carrying his child. It is not easy to start investigations.

If the police officers went there pursuant to a purported proper instruction, then obviously, they entered into the Occurrence Book (OB) who was going for that job that night. There must be an OB number. If not, then they were on a frolic of their own. Fifth, that in fact, local residents managed to collect and take to the police a G3 rifle, which a police officer dropped. They must know the owner of that rifle, two cartridges, a helmet and three rubber bullets, all belonging to the specific policemen because of the way they are numbered. Could the Assistant Minister undertake to dig and get to the bottom of that matter and come to us with a convincing answer, as well as convincing steps that he is preparing to take and bring those criminals to book?

**Mr. Tarus:** Mr. Speaker, Sir, I am glad that the hon. Member has volunteered to give more

information. I had taken all the sentiments that had been expressed. Due to the gravity of the matter, I undertake to investigate issues concerning that particular matter and institute a process of resolution of the problem, as I bring the answer to this House.

**Mr. Speaker:** When would you like to answer?

**Mr. Tarus:** Mr. Speaker, Sir, this is a matter within Nairobi. I will bring the answer tomorrow afternoon.

**Mr. Speaker:** What is it, Mr. Sasura? I think I have given you enough latitude.

**Mr. Sasura:** Mr. Speaker, Sir, even last night, there was police shooting around that area. They are scaring the residents of Hurlingham Village. Could the Assistant Minister assure us of the security of the squatters who are living there; regardless of whether they are there illegally or not? They do not have to be scared by bullets which have been bought with their own money.

**Mr. Tarus:** Mr. Speaker, Sir, I assure this House that I will express those sentiments to the Commissioner of Police and ensure that security is provided.

**Mr. Speaker:** Very well. We will defer it to tomorrow afternoon.

*(Question deferred)*

Next Question by, Dr. Oburu!

**Dr. Oburu:** Mr. Speaker, Sir, first of all, I do not have a written answer from the Ministry!

**Mr. Speaker:** Why is this happening? As you all know, the Speaker has a very good memory and he does not forget easily. When the hon. Members, who are now seated on the Government side, were in the Opposition they always complained about the Government's inability to comply with the Standing Orders by not providing written answers to Questions. Mr. Mungatana, are you already tired to the extent that you cannot give hon. Members written answers to the Questions they have asked? I hope that will wake up everybody. Please, let us do the job which we are paid for. Next time, I will expect hon. Ministers to give hon. Members of Parliament written answers to the Questions they will have asked.

ARREST OF KENYAN FISHERMEN BY  
UGANDAN SECURITY PERSONNEL

**Dr. Oburu:** Mr. Speaker, Sir, I beg to ask the Minister for Foreign Affairs the following Question by Private Notice.

(a) Is the Minister aware that on 3rd May, 2003, Ugandan security personnel [**Dr. Oburu**] arrested Kenyan fishermen in Lake Victoria and confiscated their fishing gear and boats and thereafter charged them in court?

(b) Is he further aware that the fishermen are now serving prison terms in Uganda ranging up to three years?

(c) What urgent action will be taken to secure the release of the victims and further seek a lasting solution to these frequent arrests of *wananchi* in Kenyan waters?

**Mr. Speaker:** Anybody here from the Ministry of Foreign Affairs?

**Hon. Members:** They are not here!

**Mr. Speaker:** Where are they?

**Mr. Sungu:** Mr. Speaker, Sir, the Ministry of Foreign Affairs has one Minister and two Assistant Ministers. This Minister and his Assistant Ministers do not seem to respect the House. What is happening?

**Mr. Speaker:** Where are they?

**Mr. Sungu:** Mr. Speaker, Sir, I am wondering where they are.

**Mr. Speaker:** Mrs. Ngilu, where are your colleagues?

**The Minister for Health (Mrs. Ngilu):** Mr. Speaker, Sir, could I request the Chair to defer this Question to tomorrow afternoon?

**Mr. Speaker:** Very well, I oblige. Is that okay, Dr. Oburu?

**Dr. Oburu:** Mr. Speaker, Sir, this is a very important Question because, as I speak here now, more than 105 Kenyans are languishing in Ugandan prisons. This is the case and yet it appears as if the Government is not taking this matter seriously. The wives and children of the fishermen, who were arrested and jailed in Uganda, are camping in my home because they do not know what to do. I hope that the Minister for Foreign Affairs will bring an answer to this House tomorrow afternoon.

**Mr. Speaker:** Well, I will defer this Question to tomorrow afternoon! I hope there will be someone from the Ministry of Foreign Affairs in the House. Many of these Questions are very important and they should be treated as such. I would like to request the Frontbenchers on the Government side to pass the displeasure of this House to Ministers who do not turn up to answer Questions. Anyway, I will defer this Question until tomorrow.

*(Question deferred)*

**Mr. Omingo:** On a point of order, Mr. Speaker, Sir. Last week, I rose on a point of order seeking a Ministerial Statement---

**Mr. Speaker:** I have not even finished Question Time! Have I? Anyway, I have finished Question Time now!

*(Laughter)*

Order! Where is Mr. Ndwiga, the Minister for Co-operative Development? He requested me this morning to give him an opportunity this afternoon to make a Ministerial Statement. Where is he now?

**Mr. Ethuro:** On a point of order, Mr. Speaker, Sir. I had a Question on the Order Paper this afternoon and I apologise for coming late. Given the fact that---

**Mr. Speaker:** Order! Mr. Ethuro, Parliament convenes at exactly 2.30 p.m. It is not my fault that you came late. If you do not have a watch, listen to the bell. Any way, your Question has been dropped. If you have any valid reason for coming late, approach the Chair. As of now, the Question has been dropped.

Mr. Tarus, yesterday you promised the House that you would make a Ministerial Statement today in connection with what Mr. Ethuro raised about some fighting in Lokichoggio and some parts of Turkana District. Are you ready to make it?

**The Assistant Minister, Office of the President (Mr. Tarus):** Mr. Speaker, Sir, I am ready.

**Mr. Speaker:** Could you go ahead and make the Ministerial Statement?

*(Mr. Ethuro sat on the Front Bench)*

Meanwhile, Mr. Ethuro, could you take a seat on the Back Bench so that you can participate?

## MINISTERIAL STATEMENTS

### INSECURITY IN TURKANA DISTRICT

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, I have two Ministerial Statements, which I would like to make this afternoon. One of these Ministerial Statements is on the Kakuma violence, while the other one is on the child who died in police custody in Kabsabet.

On 24th June, 2003, Mr. Ethuro rose on a point of order to request a Ministerial Statement on insecurity in Turkana District. In this connection, the Government wishes to respond as follows.

The disturbances within the Kakuma Refugee Camp commenced on 16th June, 2003, following the killing of two male Sudanese refugees by their fellow refugees on suspicion of theft. In what appeared to be a revenge killing, a male Turkana was killed by Sudanese Refugees on 18th June, 2003, and his body dumped in a latrine. Two days later, or on 20th June, 2003, in a revenge mission, a Sudanese was shot in the stomach and seriously injured by persons suspected to be Turkanas. In a revenge mission, on 21st June, 2003, Sudanese youths violently evicted Turkanas residing within the refugee camp and burnt their dwellings. The police contained the subsequent response by the Turkanas. Following the above occurrences, the Turkana District Security Committee dispatched a reinforcement of security men to Kakuma Refugee Camp, while the Provincial Administration mobilised local leaders, both in the refugee and the host communities to reach a mutually acceptable solution and stop further escalation of violence. As a result, the violent acts were contained by 22nd June, 2003.

Spreading of malicious rumours and disinformation has been identified to have played a major role in the escalation of the violent acts. Indeed, this may have been the cause of the incident which happened on 24th June, 2003, where a Sudanese lobbed a hand grenade at a group of Turkanas and seriously injured four of them. The said Sudanese has been arrested and is in police custody. To deal with these incidents, there has been constant engagement with the authorities in Southern Sudan to dispel rumours and disinformation amongst the affected communities which may have worsened an already volatile situation. As a result of the above incidents, nine Sudanese refugees and two Turkanas have lost their lives, while nine other people have been injured.

The Government, along with the United Nations High Commission for Refugees (UNHCR) and other implementing partners, are taking measures to address the various grievances which have been advanced by both parties. Besides strengthening security, the Government is also encouraging confidence-building measures to restore the cordial relationship which has all along been in existence between the refugees and the host community. Medium and long-term measures are being explored to address the resource-based conflict.

I would like to assure this august House that the Government has taken the necessary measures to ensure that peace and safety of both the refugees and the host community is restored.

**Mr. Y.M. Haji:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** On this issue?

**Mr. Y.M. Haji:** No, Mr. Speaker, Sir.

**Mr. Speaker:** Could I dispose of this matter first? Mr. Ethuro, are you satisfied with the Assistant Minister's response? For the purpose of a correct record, the Assistant Minister referred to



eight Sudanese refugees and two Turkanas as having been killed. Were those Turkanas who were killed Kenyans?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, they were members of the Turkana community which lives around Kakuma Refugee Camp.

**Hon. Members:** Are they refugees?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Speaker, Sir, those Turkanas are Kenyans.

**Mr. Y.M. Haji:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Mr. Haji, is it on this matter?

**Mr. Y.M. Haji:** No, Mr. Speaker, Sir.

**Mr. Speaker:** No; we must dispose of this matter first, unless there is no hon. Member who wants to seek clarification from the Assistant Minister.

Yes, Mr. Ethuro.

**Mr. Ethuro:** Thank you Mr. Speaker, Sir. I would like to thank the Minister for the Statement and for the fact that yesterday afternoon, all the arms of the Government were put into top gear. I appreciate that concern, but the Office of the President cannot be reduced to cataloguing events. This Ministry has a responsibility to save Kenyans' lives and property. What we have witnessed in Kakuma and Lokichoggio in the last five days is a situation where the refugees in this country, who we are hosting as good neighbours, are bringing insecurity to our people. The Government does very little until a problem comes.

Mr. Speaker, Sir, you will remember I brought a Question here about the presence of some armed foreigners within our country at Lokichoggio. The person who threw the hand grenade yesterday, at 10 a.m., was a member of the Sudanese People's Liberation Army (SPLA). What is the Government doing to review the presence of SPLA camps in Kenya?

**Mr. Speaker:** Any response Mr. Tarus?

**The Assistant Minister Office of the President** (Mr. Tarus): Thank you Mr. Speaker, Sir. The Government has deployed security personnel to that particular area to be able to deal with this situation amicably. In regard to the SPLA, I would like to confirm to the hon. Member and the hon. House that the Government, through its machinery, will follow the matter carefully with a view to ensuring that the previous agreements, if any, are adequately addressed, so that we do not have a similar situation emerging again in our country.

**Mr. Speaker:** Very well, I think we will finish with that. Just one from this side. Order! Order!

**Dr. Galgalo:** Thank you Mr. Speaker, Sir. Incidents of insecurity at our borders are very rampant. In Lake Victoria, armed forces from our neighbours cross into our waters and hijack our fishermen. In Moyale, Ethiopian soldiers always cross our borders and attack our villages; in Somalia, we remember that at one time, some rag-tag army disarmed our troops and took military trucks across the border. It is all around our borders.

Why is this Government unable to secure our borders?

*(Applause)*

**The Assistant Minister Office of the President** (Mr. Tarus): Thank you Mr. Speaker, Sir. I appreciate the concern but I would like to assure the House that what happened in the past---

**Hon. Members:** It is still happening!

**The Assistant Minister office of the President** (Mr. Tarus): Mr. Speaker, Sir, I am not referring to the KANU regime. I can see they are--- But I am saying the Government will address these issues of insecurity, whether in the Lake Victoria, the Somalia or Ethiopian borders.

**Mr. Speaker:** very well. I think Mr. Tarus has done well. Mr. Tarus, you promised you had another one about American bases.

**The Assistant Minister Office of the President** (Mr. Tarus): Thank you Mr. Speaker, Sir. I promised that I would bring a Statement on the American base, but I would like to apologise that I have not been able to bring it today. May I request that I come with the Statement tomorrow?

Secondly, I have a Statement with regard to a child who was killed in a police station in Kapsabet.

**Dr. Oburu:** On a point of order Mr. Speaker, Sir. This is a question of decorum. Is it in order for Mr. Wamwere to come in the Chamber in a T-Shirt?

*(Laughter)*

**Mr. Speaker:** Could he stand?

**Mr. Wamwere:** Mr. Speaker, Sir, I am not in a T-Shirt!

**Mr. Speaker:** Order! Order! When the House is displeased with any mode of dressing, then it is for the Chair to take that displeasure from the sight of the House.

*(Applause)*

And since the House is not pleased with the dressing of the hon. Member, will you please go and dress properly and come back? Now, he must leave first!

*(Mr. Wamwere withdrew from the Chamber)*

Order! Order! Yes, what is it Dr. Godana?

**Dr. Godana:** Thank you Mr. Speaker, Sir. I am happy with your directive. I think, much as the rules to some of us have always been very obvious, it would be proper to actually read an exhaustive list of what is the acceptable attire here. Under the pretext of traditional attire we have seen, on other occasions, all kinds of attires. I am afraid some of us may resort to our traditional attires and then we will be ruled out of order.

**Mr. Speaker:** Order! Order! Members, I think the list is contained in a booklet that you have. We, ordinarily, would let the House decide what is and what is not acceptable.

What I am asking Members is not to outdo each other in dresses that are unrepresentable. Some Members, whom I have seen in the past, have come to this Chamber in some attires that look to me like pyjamas.

*(Laughter)*

This must cease, and I think this House must be respected; come dressed in a respectable fashion. That is all I can say. Of course, fashion is dynamic and keeps on changing. The only fashion that the Chair will never accept here is a fashion that allows nudity. So, please let us get serious. This is a dignified House and it does not take too much to dress well. I think you owe it to yourselves and to

this Parliament. Let us not take any more time on dress, for heavens sake. What is it Mr. Wanjala?

**Mr. Wanjala:** Thank you Mr. Speaker, Sir. I was just raising my point of order in connection with what the Assistant Minister was answering here. This weekend, you saw on television how the people in Bondo, that is Mageta and Budalang'i-Marenga Beach have been tortured. More than 160 Kenyans are now in cells in uganda--

**Mr. Speaker:** Order! Order! That matter has already passed. I know I did not recognise you but that does not mean that a matter is not concluded because you have not participated. So, please relax. Now, Mr. Tarus, proceed please.

#### DEATH OF CHILD IN POLICY CUSTODY

**The Assistant Minister Office of the President** (Mr. Tarus): Thank you Mr. Speaker, Sir. Following a request for a Ministerial Statement by hon. John Sambu on 18th June, 2003, about the death of a four-year old child, Brian Kimeli at Kapsabet Police Station on 15th June, 2003, I wish to respond as follows:

Mrs. Philomena Chepkorir Samoei, the mother of the deceased, was arrested by Kabiyet Police Post police on 14th June, 2003, on the allegation of creating disturbance in a manner likely to cause a breach of the peace.

The following day, on 15th June, 2003, she was transferred to Kapsabet Police Station, from where she was to be taken to court for plea. At Kapsabet Police Station, she was put in the same cell with one Eunice Jeptekin, an accused who was in custody pending escort to Eldoret GK Prison to await trial for murder in another case.

Mr. Speaker, Sir, the following morning, when the prisoners woke up, they were required to clean the cells in accordance with the regulations. Incidentally, the accused person in this case, who had had a bad leg since birth, was excused from that duty. Mrs. Philomena, the mother of the deceased, asked the accused if she could stay with the deceased child while she was away. The accused readily agreed. The deceased child was wrapped in a *leso*. While the mother of the deceased child was busy cleaning cells, the accused person is said to have used the *leso* to strangle the child, killing him instantly. She then laid the child back on the floor and covered him with a blanket, with the *leso* still round his neck.

A few minutes later, the accused person was taken out of the cell to be escorted to the prison. On her way out, she saw the mother of the deceased child and told her that the baby was sleeping. When the mother of deceased child returned to the cell after cleaning the cells, she went to pick the baby. She found that the child was dead, with the *leso* still round his neck. The police officers on duty were informed and the accused person was immediately followed and arrested. She will be charged with the murder of the child.

Mr. Speaker, Sir, following that incident, my office has not only transferred the officers involved, but disciplinary action is also being preferred against them. An inquiry file on the case has also been opened to facilitate an exhaustive resolution of this matter.

Thank you, Sir.

**Mr. Speaker:** Mr. Sambu, do you have any clarification to seek from the Assistant Minister?

**Mr. Sambu:** Mr. Speaker, Sir, the only thing I would like to add is that the mother of the deceased child is a widow. The body of the deceased was brought to the City Mortuary last night, because the police pathologist refused to go to Moi Teaching and Referral Hospital, Eldoret and do a

postmortem on the body. On behalf of other Kenyans, I would like to know whether if a person dies under suspicious circumstances in, say Lamu or Mandera, the body will have to be brought to the City Mortuary, Nairobi, because the police pathologist cannot go to those towns. Secondly, this widow, Mrs. Philomena Samoei, whose child died, did not leave behind her child in the cells with his suspected murderer willingly; she was forced by the police officers to leave the child behind. Moreover, she was arrested by officers at Kabiyeet Police Post on tramped-up charges. She never created any disturbance.

**Mr. Speaker:** Mr. Sambu, could you now seek the clarification?

**Mr. Sambu:** Mr. Speaker, Sir, is the Assistant Minister going to order the arrest of the police officers who caused this problem by arresting Mrs. Philomena Samoei on tramped-up charges? They were bribed; we even know how much money the husband of the other lady paid the police at Kabiyeet Police Post to arrest this woman. The police were covering up the beating she had received from Mr. Serem.

**The Assistant Minister, Office of the President (Mr. Tarus):** Mr. Speaker, Sir, on the issue of the police pathologist, it is regrettable that he did not travel to Eldoret to do the postmortem there. However, we will follow up the matter to ensure that such a situation does not arise in future. Secondly, with regard to the issue of the police officers who were involved in this particular case, I discussed the matter with the Commissioner of Police. He confirmed that after investigations, he found out that, indeed, there was an attempt to cover up the circumstances of this particular case. He further confirmed that the culprits, the Officer Commanding Station (OCS), who booked this lady at Kapsabet Police Station, and the officers at Kabiyeet Police Post, will be disciplined.

**Mr. Speaker:** Very well. I think we can now let Mr. Tarus take a breather. He has done very well.

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

**Mr. Speaker:** Wait! I will dispose of points of order afterwards.

**Mr. Obwocha:** Mr. Speaker, Sir, I had requested a Ministerial Statement from Mr. Tarus.

**Mr. Speaker:** Order! Order! Time is running out. So, I will have the Minister for Co-operative Development, then I will come to you, Mr. Haji, and if time allows---

**Mr. Obwocha:** On a point of order, Mr. Speaker, Sir. I expect a Ministerial Statement from Mr. Tarus.

**Mr. Speaker:** Order! Order! There is no Order Paper called "Tarus".

**Mr. Obwocha:** Mr. Speaker, Sir, Mr. Tarus is supposed to bring a Ministerial Statement on Mr. Jeff Ongwae, who was shot dead at Githurai. You were not in the Chair when I raised the matter last week.

**Mr. Speaker:** Order! Order! I am always in the Chair. There is no time when the business of this House continues without the Chair. So, I am always in the Chair. I am always present. So, Mr. Tarus will now take a break. We will deal with other points of order tomorrow.

Mr. Ndwiga, you may have the Floor.

GOVERNMENT REPOSSESSION OF  
KCC 2000 LIMITED

**The Minister for Co-operative Development (Mr. Ndwiga):** Mr. Speaker, Sir, last time I did inform this House that the Government was investigating the circumstances under which the

former Kenya Co-operative Creameries Limited was taken over by KCC 2000 Limited. Since then, there has been a lot of anxiety around the country. Therefore, I wish to issue the following Ministerial Statement.

The Kenya Co-operative Creameries Limited was registered under the Co-operative Societies Act by dairy farmers on 8th February, 1932, to promote the dairy industry in the country. Its major role was to collect, process and market farmers' milk with a view to maximising returns to the dairy farmer. For the next 60 years, the organisation realised a commendable growth, offering employment to over 4,000 Kenyans and earned recognition in the world market for its high quality products. However, in the year 2000, the farmers' organisation was taken over from the dairy farmers by KCC Holdings without proper valuation and consent of the shareholders. That was not only irregular but also greedy on the part of those who acquired it.

Mr. Speaker, Sir, the National Rainbow Coalition (NARC) Government recognises co-operative organisations as important vehicles for improving farmers' income, generating employment opportunities and marketing produce at competitive prices. It is in this spirit that the Government has severally pledged to buy KCC Holdings Limited and restore its ownership to the farmers. This was confirmed by the Minister for Finance through the Budget for the year 2003/2004, which he delivered to this House on 12th June, 2003.

Further, the Government has declared total war on corruption because, through corruption, Kenyans have become impoverished. The decision by the Government to hand over KCC Holdings Limited to the farmers should be seen in the light of correcting malpractices which were designed to rip off co-operators of their hard-earned wealth.

In order to correct these past mistakes, and to ensure that dairy farmers lead the way in economic recovery through wealth and employment creation, my Ministry has registered a new Kenya Co-operative Creameries (KCC) Limited, under the provisions of the Co-operative Societies Act, No. 12 of 1997, to take over the KCC Limited holdings. This morning an interim management took over KCC assets throughout the country successfully. I am glad to report to this House that an interim board shall be put in place to run the affairs of the New KCC Limited during this transition period and to organise elections in due course. It is imperative, therefore, that the management of the New KCC Limited institutes prudent management practices in order to meet their members' expectations. I wish to take this early opportunity to appeal to dairy farmers to give support to this new co-operative, not only to restore the lost glory Kenya is known for in the dairy industry, but also to ensure that this country becomes a major supplier of milk and milk products in the COMESA region. I am also counting on the support of this House.

**Mr. Speaker:** The Shadow Minister for Agriculture has the first opportunity to speak.

**Mr. Sambu:** Mr. Speaker, Sir, I rise in the capacity that I initially asked the Question that led to the Ministerial Statement. I want to thank the Government for taking this action and give credit where it is due. I always do so.

*(Applause)*

I only want to seek clarification on three issues from the Minister as action goes on in the field.

First, there are shareholders all over the Republic. Their shares were shelved by KCC Holdings Limited when it was illegally taken away from the rightful owners. We want to know what will

happen to the shares. Farmers all over the Republic---

**Mr. Speaker:** That should be short! Look at the time!

**Mr. Sambu:** Mr. Speaker, Sir, we want the old share certificates to reflect the new name of KCC.

Two, we want the elections of the directors to be transparent and not to be done in a hurry.

Finally, we want to know the members of the new management. We do not want people who will give us problems to be sneaked in.

**The Minister for Co-operative Development** (Mr. Ndwiga): Mr. Speaker, Sir, I already said that the new KCC was going back to its original owners who are the original shareholders.

*(Applause)*

We are updating the members' register and those same members will elect the directors who will run the new company. The board that I am putting in place is an interim one which is meant to re-organise the affairs of the KCC. The board will be in place from tomorrow morning.

**Mr. Speaker:** I am sorry! All those hon. Members I cannot reach, please excuse me for I can only reach Mr. Haji and then we will go to today's business.

#### POINT OF ORDER

##### ARREST OF MR. KHALIF ABDI HASSAN IN MALAWI

**Mr. Y. Haji:** Mr. Speaker, Sir, I rise to demand an urgent Ministerial Statement from the Minister for Foreign Affairs. Mr. Khalif Abdi Hassan, a Kenyan citizen who was working as a teacher with the Religious Attache of the Embassy of the Kingdom of Saudi Arabia, in the Republic of Malawi, was picked up by FBI agents at night from his house. He is being held without disclosure or arraignment in a court of law in the Republic of Malawi.

It is gratifying to note that, according to information reaching here, while the FBI agents were trying to sneak this man out of Malawi, the Government of Malawi objected and demanded that he be taken to court first. Mr. Hassan was living with his wife and four children, all of whom are Kenyan citizens. Could the Minister, therefore, explain what the Government is doing to safeguard the interest of these Kenyans held in a foreign country? What is the Government also doing to take care of the welfare of the wife and the four children held in Malawi?

**Mr. Speaker:** Very well! I hope the Minister will be available tomorrow.

**Dr. Godana:** Let the Assistant Minister answer!

**Mr. Speaker:** He is not sworn-in. Order! He is an unsworn Minister! He is an Assistant Minister who cannot act.

*(Laughter)*

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Mr. Speaker, Sir, it is public debate ---

**Mr. Speaker:** Well, you cannot answer even if it was! Order! I cannot have anything now

until tomorrow. Order! I think hon. Members must stop taking the Chair very casually. Do you understand, Mr. Omingo? Do not take the Chair very casually again! Order, hon. Members!

### COMMUNICATION FROM THE CHAIR

#### ACTIVITIES OF THE HOUSE BETWEEN JUNE AND OCTOBER

**Mr. Speaker:** Hon. Members, I just need to use the next two minutes available to let the House know what activities are ahead of us as a House and as Committees and what other activities we will be undertaking between now and October.

Between the 4th and 6th of July, the Standing Committee of the CPA Speakers of Africa will be meeting under my Chairmanship in Nairobi.

On the 13th and 14th of July, there will a retreat for the Chairs of all Committees.

On the 25th of July, Committee Chairs will leave for a two-week familiarization tour so as to see how Committees are conducted in the USA and Canada.

On the 25th to 27th of July, there will be a post-election workshop for all Members. **Hon. Members:** Where?

**Mr. Speaker:** Somewhere in Kenya, I will let you know but it will certainly be within Kenya.

#### *Loud consultations*

Order, Mr. Omingo! You are very disorderly and you have absolutely no respect for the Chair! I, therefore, order that you are now to be excluded from the Sitting of this House until tomorrow. I will further order that, the Serjeant-At-Arms ensures that you are removed from all the precincts of Parliament. Will you now go forward and out?

*(Mr. Omingo withdrew from the Chamber  
escorted by Mr. Ethuro)*

Order! Order! No hon. Member who is not excluded will escort a disorderly hon. Member. In fact, the two of you are disorderly! If you attempt it again I will throw you out. How can you encourage disorder in the House? Mr. Ethuro, you are a Member of the Chairman's Panel and you should be keeping order here. How can you sit here to keep order when you are encouraging disorder? You try again and you will be out!

Order! I will let you know the venue of the post-election workshop as I do not have it right here.

On the 2nd up to the 29th of August, 2003, there will be the CPA Africa Region Conference in Nairobi, attended by all branches of CPA, Africa. It would bring to Kenya between 130 and 150 Members of Parliament (MPS) from across Africa.

On the 14th and 15th August, 2003, we have organized a retreat for the Commissioners of the Parliamentary Service Commission (PSC). These are new Commissioners and we want them to get to understand what it entails to be a Commissioner.

From the 17th August, 2003, to an unknown date to me, the National Constitutional Review Conference; which we are an integral part of, will take place at the Bomas of Kenya.

On the 3rd to the 17th of October, 2003, some Members of the Parliamentary Service Commission will tour some European Parliaments to see how Commissions there do run their

Parliaments.

Hon. Members, these are the activities we are going to undertake in the next few months. I thank all of you for giving me your audience.

Next order!

**Mr. Obwocha:** Mr. Speaker, Sir, I would like to draw your attention to the 7th of July, 2003. There was a proposed workshop for Members of Parliament on Eng. Muriuki's Bill. I do not know if this is in your calendar or not.

**Mr. Speaker:** Well, yes, I am informed that you are right.

There will be a workshop on the 7th of July, 2003 at Safari Park Hotel. All Members will be welcome. In fact, it would be the pleasure of the Chair if all Members went there to participate in making a good Constituency Development Bill. Thank you.

Next order now!

### 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 24.6.2003)*

*(Fifth Day of Budget Debate)*

**Mr. Rotino:** Thank you very much, Mr. Speaker, Sir, for recognizing me and giving me the opportunity to contribute to this very important Motion. I stand here to support the Budget Speech, and say that it was a very good Speech, and a very good Budget for first year of NARC Government.

I want to make a few comments on the Budget. Since Parliament was opened, we have passed several Motions. It is my humble request that the Government implements the Motions that have been passed in this House. Many times, when Motions are passed in this House, the Government supports them, and then they are shelved. Now that the Government has been allocated money, it should be able to implement these Motions that we have passed.

Mr. Speaker, Sir, I want to talk about agriculture. Many hon. Members have spoken about agriculture. But I want to speak about it because I come from a rural constituency that relies on agriculture. It would not be very good for me not to speak about agriculture. This year, in the Budget, the Ministry of Agriculture had requested for Kshs500 million to be allocated to agricultural credit, out of which only Kshs200 million was allocated. As for the food security programme, Kshs237 million had been requested, out of which only Kshs50 million was allocated; Kshs700 million had been requested for the disease control sector, out of which only Kshs40 million was allocated, while Kshs220 million had been requested for crop and pest control, out of which nothing was allocated; Kshs490 million had been requested for surveillance systems in the fisheries sector, out of which only



Kshs200 million was given. As for the Kenya Meat Commission (KMC), Kshs650 million had been requested, out of which only Kshs200 million has been given. Being a person concerned about agriculture, I went through this with a lot of pain. When you see the Ministry of Finance allocating Kshs50 million to food security, this is very little. I am pleading with the Minister to look at this and try, at least, to increase the allocations, especially for disease control. When they requested Kshs700 million, they were allocated only Kshs40 million. We need a Supplementary Budget to be able to increase this amount, in order to allocate the Ministry some more money in order to do this work.

Mr. Speaker, Sir, I want to talk about fertilizer. When fertilizer is donated to the Kenyan Government, it is donated as aid to the Treasury. Then, Treasury is the organ to control this fertilizer. I want to request the Minister that when aid is brought in the form of fertilizer, it should be donated to the relevant Ministry, for example, the Ministry of Agriculture. This is so that people do not raise bankers orders to the Treasury, instead, they should raise them to the Ministry of Agriculture, so that the price of fertilizers does not escalate so much.

Mr. Speaker, Sir, I want to talk about education. I want to thank the Minister for Finance for allocating a lot of money to the Ministry of Education, Science and Technology, in order to help the free and compulsory primary education programme. But there is the early childhood education sector and the nursery school. We should not leave the nurseries to the county councils. The Ministry should be able to allocate special funds to the early childhood education sector and the nursery schools because, without them, we cannot have the primary schools progressing very well. So, certain amounts of money should be allocated to that. Likewise, very little money has been allocated to the adult education sector. Some of us who come from the rural communities need the adult education sector to be strengthened. The money which has been allocated to this sector is very little. I will plead with the Minister to increase this money so that we have enough money in the Department of Adult Education.

We talked about the Ministry of Health. If you go to the rural areas, you will find that sometimes we spend a lot of money buying drugs that are not really necessary. In the rural areas, before a doctor prescribes medicine for any particular patient, that patient has to go for diagnosis in a laboratory. I want to quote a very nice example. I took one of my constituents to one of the clinics in Kapenguria and this particular patient was taken into a laboratory for diagnosis. The results showed that he was suffering from typhoid and had to receive 21 injections. I never believed that. I then brought the same patient to Nairobi Hospital for the same test. The results of the test showed that he was not suffering from typhoid at all. I took the same patient to MP Shah Hospital for a further typhoid test and the results were negative. Laboratories in our communities are very ill-equipped.

Mr. Speaker, Sir, there is a board which is supposed to regulate all laboratory testing equipment. The Kenya Medical Laboratory Technicians Board was constituted in December 1991 by an Act of Parliament. This Board is supposed to regulate all the laboratory testing equipment that come to this country so that we can have accurate tests because doctors will not prescribe the right drug to a patient before a diagnosis is done. Accurate diagnosis should be carried out and yet this Board is not doing its job. I am appealing to the Minister that we need to change the directors of this Board. This Board is supposed to go round our district hospitals and health centres in order to check all the laboratory equipment. We are getting a lot of sub-standard laboratory equipment from India and in the end we use it in our labs. This equipment is not doing very well. I would request the Minister in

charge to look at that Board. There is a corrupt Chairman there called Mr. Msafari and even the Controller and Auditor-General has audited that Board and has come up with the recommendation that its Chairman should be sacked. Several letters have been written from an association that deals specifically with this laboratory equipment, to the Minister, and nothing has been done. I am appealing to the Minister to look into that issue because malaria is infecting people everywhere. If you go to every health centre in the rural communities, you will find that every patient has been diagnosed as suffering from malaria and yet if you take those patients to other hospitals for testing of malaria, they will test negative. This shows that the equipment we have in those laboratories is not good.

Mr. Speaker, Sir, Kshs500 million is supposed to come from Turkwel Gorge to carry out rural electrification. Turkwel Gorge is situated in West Pokot District and we have moved several Motions and asked several Questions because there is no electricity in West Pokot District. We have electricity in only four centres. Although Turkwel Gorge is situated in Sigor Constituency, not even one centre in Sigor Constituency has electricity and yet this Government says that they are going to create 500,000 jobs. How are you going to create jobs if you cannot provide electricity? How can you create jobs if you are not going to help the rural artisans with electricity in the trading centres?

Mr. Speaker, Sir, Turkwel Gorge contributes Kshs700 million every month to the Kenya Government and yet the Sigor people are not benefitting from even one kilowatt of electricity. For how long are we going to continue crying? Do you want us to blow that thing? Our people are not benefitting and yet we take care of that huge thing. It is no longer a white elephant. I am appealing to the Minister to look into this issue. If you want the Pokot to blow up Turkwel Gorge, we will do that!

**Mr. Speaker:** Order! Order, Mr. Rotino! Mr. Rotino, you will not stand on the Floor of this House to advocate sabotage of national institutions and get away with it! Will you please withdraw that remark?

**Mr. Rotino:** Mr. Speaker, Sir, I will withdraw it.

**Mr. Speaker:** Very well. Continue!

**Mr. Rotino:** Mr. Speaker, Sir, but it is so painful when Kshs700 million is being given to the Government and yet Sigor people are suffering. It is out of that pain that I am telling this Government to supply Sigor with electricity.

With those few remarks, I support.

**Mr. Khamisi:** Bw. Spika, nasimama kuunga mkono Hotuba ya Waziri wa Fedha na kusema kwamba Hotuba ile ilitolewa kwa njia ambayo ni ya sawa kabisa na ufasaha mkubwa na matayarisho ambayo kusema kweli yalionekana katika utoaji wa Hotuba hiyo. Ningependa pia kuishukuru Serikali kwa kupunguza VAT kutoka asilimia 18 mpaka asilimia 16. Lakini hata hivyo, ningependa kuitahadharisha Serikali kwamba matokeo ya punguzo hili yanataka yaonekane katika bei za vitu ili kwamba wananchi wapate kufaidika kutokana na hatua hii ya Serikali.

Bw. Spika, jambo ambalo halikunipendeza ni kwamba Serikali imeaona ubusara wa kuondoa leseni za redio ambazo Shirika la Utangazaji la KBC lilikuwa likipata kama mapato. Naona hii ni hatua ambayo ina matokeo makubwa na mabaya kwa shirika la utangazaji na katika utangazaji wa umma kwa jumla. Mimi kama Mkurugenzi wa zamani wa shirika lile, naona kwamba hatua hiyo itaathiri sana kazi za shirika lile kwa sababu Serikali haijatao pesa, sababu au njia ya kuweza kulistawisha shirika lile. Kwa kuwa lilikuwa likipokea karibu asilimia 10 ya mapato yake kutoka kwa leseni za redio na televisheni, hivi ni kusema kwamba shirika lile limepungukiwa hivi sasa na karibu Kshs80 milioni kwa mwaka kutokana na leseni zile.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

Bw. Naibu Spika, kwa hivyo, naona lingekuwa jambo la busara kwa Serikali kutafuta njia za kuweza kulisaidia shirika lile. KBC ni shirika la peke yake katika ulimwengu huu ambalo halisaidiwi au kupatiwa misaada ya kifedha na Serikali na hili ni jambo la kusikitisha kwa sababu chombo kile kinatumiwa kila siku na umma pamoja na Serikali katika kueneza sera zake na kupanua mipango yake ya maendeleo na shughuli za jamii. Kwa hivyo, ni muhimu kwamba Waziri wa Fedha afikirie jinsi ya kulipatia shirika lile pesa za kuweza kuliendeleza kwa sababu mitambo ambayo inatumiwa pale ni mitambo ya zamani sana. Si ajabu wananchi siku moja wataamka na kukuta kamba hakuna matangazo ya redio na televisheni kwa sababu vifaa vile ni kama vimekuwa ni vya makavazi hivi sasa. Kwa hivyo, naomba Serikali ifikirie jinsi ya kuweza kufanya kazi hiyo.

Bw. Naibu Spika, jambo la pili ni kwamba nasikitika sana kwamba Serikali, mbali na vilio vyetu, haikutoa pesa za kutosha katika kuendesha shughuli za elimu mbali na elimu ya msingi. Sisi watu wa Pwani tumekuwa tukilia kwamba tupewe chuo kikuu na tukapendekeza kwamba pesa fulani ziwekwe katika Voti ya elimu ili ikiwezekana sehemu ile ya Mkoa wa Pwani iweze kupata chuo kikuu, lakini inavyoonekana kutokana na pesa ambazo tumeziona katika Bajeti, haitawezekana kutoa nafasi ya kulipia chuo kikuu kingine cha umma katika sehemu ile. Kwa hivyo, naiomba Serikali kwamba katika siku zijazo, katika makadirio yao yote ya fedha yanayokuja, ifikirie jinsi ya kuweza kutoa pesa za kuweza kuanzisha chuo kile katika sehemu ya Pwani.

Bw. Naibu Spika, vile vile, ningependa kusema kwamba kama mwenyekiti au kama mwanachama wa Kamati ya Afya ya Bunge, tulisikitishwa hivi majuzi kuambiwa na Waziri wa Afya kwamba asilimia 60 ya wagonjwa katika Kenyatta National Hospital wanaugua ugonjwa wa UKIMWI.

Inabidi wagonjwa walale sakafuni ama walale zaidi ya mgonjwa moja katika kitanda kimoja. Hili ni jambo la kusikitisha sana. Tumeangalia bajeti ya Hospitali Kuu ya Kenyatta na tumeona kwamba kusema kweli haitoshi kuweza kugharamia shuguli za matibabu, hasa ikifikiriwa kuwa mashirika mengi ya Serikali yanadaiwa pesa na hospitali hiyo. Kwa mfano, wafungwa wote wanaopelekwa hospitalini wanatakiwa kulipa pesa za kuwawezesha kupata huduma za matibabu, lakini inaonekana kwamba Wizara inayohusika haijaweza kulipa mamilioni ya pesa ili kuweza kufidia hospitali ya Kenyatta ndipo wagonjwa, zaidi ya asilimia 60, waweze kuangaliwa. Bajeti ya Wizara ya Afya vile vile haiwezi kutimiza malengo mbali mbali ambayo nchi hii inahitaji kwa wakati huu. Malengo haya ni vita dhidi ya magonjwa kama vile homa ya malaria, kifua kikuu, UKIMWI, na kadhalika. Nafikiri Serikali ingejaribu kutoa pesa zaidi ili afya ya wananchi wa Kenya ipate kuangaliwa na kudumishwa vema. Husemwa kwamba taifa lenye afya ni taifa lenye watu wenye afya. Kwa hivyo, ikiwa watu wetu ni wagonjwa, basi taifa hili pia ni gonjwa. Tunaiomba Serikali, katika makadirio yake yajayo, ifikirie jambo hilo kwa uzito zaidi.

Bw. Naibu Spika, jambo lingine ambalo ningependa kusema ni kuishukuru Serikali kwa kuondoa Export Tax kwa upande wa korosho. Tungependa Serikali iangalie namna ya kuwawezesha wakulima wa korosho kufaidika zaidi kutokana na mazao kwa kuwaondoa walanguzi ambao wanawapunja wakulima katika shuguli zao za mauzo. Tungetaka Serikali iwasaidie wananchi wetu kutokana na unyanyasaji wanaopata sasa katika sekta hii ya ukuzaji wa korosho.

Bw. Naibu Spika, kwa upande wa usalama, Kshs400 milioni hazitoshi Idara ya Polisi, kuiwezesha kudumisha usalama katika nchi hii. Hivi sasa sehemu ya Pwani imelemewa sana na magaidi. Ni jambo muhimu Serikali itoe pesa zaidi kuhakikisha kwamba usalama umedumishwa katika

Pwani na nchi nzima kwa jumla. Jambo la kusikitisha kuhusu usalama ni kwamba zile shida tulizokuwa nazo wakati wa KANU tungali tunazo. Askari wamekuwa watu wakuwapiga wananchi marungu. Hili tumeona katika runinga zetu siku mbili au tatu zilizopita kuhusiana na wale magaidi ambao walikamatwa katika sehemu mbali mbali hapa Nairobi. Wao hupigwa kwa bunduki kichwani huku wakipigwa mateke. Hili ni jambo la aibu kwa wakati huu ambapo Serikali ya NARC inasema kwamba inataka mabadiliko. Yafaa Tuondoe mambo hayo ya watu kupigwa. Ni muhimu kuelewa kwamba mtu ambaye hajafikishwa kortini ni mtu asiye na hatia. Kwa hivyo, si haki apashwe adhabu na vyombo vya usalama vya nchi hii. Mimi naona kwamba haki za binadamu sharti zizingatiwe. Katiba yetu mpya pamoja na ya zamani, zinahakikisha kwamba kila Mkenya ana haki ya kuheshimiwa kibinadamu. Tunaiomba Serikali iondoke katika mifumo hii ya zamani ya mateso ili wananchi wapate huduma nzuri na za kufaa, kutokana na usalama nchini.

Bw. Naibu Spika, Serikali inapaswa kuangalia zaidi maswala ya makundi ya kijamii. Inasikitisha kusikia kwamba Serikali haina pesa sasa za kutoa kwa hazina ya mawakilisho ambapo tumetembelea nchi nzima, tukiwaahidi na kuwahamasisha wananchi kuwa zipo pesa zitakazotolewa na Serikali za kuhudumia miradi ya kijamii. Lakini Waziri wa Fedha jana alitushua alipotuambia kwamba hana pesa na kwamba anapunguza fedha hizo kutoka Kshs20 milioni hadi Kshs2 milioni. Kusema ukweli, hii itatuletea taabu sana sisi Wabunge.

Hatujui tutafanya nini na hizo Kshs2 milioni

ambazo, katika mawakilisho yangu, hazitoshi hata kuhudumia mipango kama bursary fund. Kwa hivyo, Serikali isiwe ya kutoa ahadi ambazo haiwezi kutimiza. Iwe ni Serikali yenye kutoa ahadi zinazoweza kutimizwa. Tayari kuna ahadi kadhaa ambazo zimevunjwa na Serikali hii. Tunawaambia kuwa mchezo kama huo ni mchezo ambao sisi tulioko upande wa Serikali tutaulaani kwa sababu hatutaki Serikali ya kusema uongo. Tunataka Serikali ya kusema ukweli.

*(Applause)*

Bw. Naibu Spika, ningependa kutoa kauli yangu kuhusu ule unyanyasaji wa watu ambao wanasemekana kuwa ni magaidi. Inasemekana kuwa siku hizi hata jina "Khamisi" likisikika, hata ingawa mimi ni Mkristo, watu hufikiri kwamba mimi ni Mwisalamu. Katika safari zangu za hapa na pale huenda nikapata taabu.

Bw. Naibu Spika, naunga mkono Hotuba ya Waziri wa Fedha.

**Mr. Samoei:** Mr. Deputy Speaker, Sir, I want to thank you very much for giving me this opportunity to make my contribution to the Budget Speech.

Mr. Deputy Speaker, Sir, our country is going through very difficult times economically. We do appreciate the position the Minister for Finance was in, trying to come up with a Budget that fits the bill of all the people of Kenya and at the same time meet the expectations and pledges that were made to the people of Kenya.

Mr. Deputy Speaker, Sir, while there was an increase of funds to the Ministry of Education, Science and Technology, to the tune of Kshs9 billion, the effort to bring about free primary education is still a long way from getting anywhere.

As we talk now, half of the 1.2 million or so, new primary school children, who had enrolled as a result of the pledge of free primary education, are on their way back home because they cannot get a place to sit in any primary school anywhere in the Republic. Statistics from the Ministry of Education, Science and Technology itself show that an additional Kshs12 billion is required to build the 37,500

new classrooms required. In this year's Budget, the Minister for Finance has not made a provision of a single cent towards the construction of new classrooms. I do not know how we are going to realise free primary education, if the children who have left their homes cannot access space in any classroom. Statistics from the same Ministry also indicate that there is a requirement of Kshs4.2 billion to hire additional 35,000 primary school teachers. There is no additional cent in the Budget for the hiring of new teachers. I do wonder what the young people in our Republic are going to do in school if there are no teachers to teach them.

Mr. Deputy Speaker, Sir, as it has been said, 30 per cent of the three million pre-school going age children, cannot access any form of education. This would have been the area of concern for any serious Government. Two out of three million children between the ages of three and six years are not in any school because their parents cannot afford to pay school fees in county council-run schools, whose management is wanting. I hope the Government will think seriously about laying a good foundation for children under the Early Childhood Education Programme.

Mr. Deputy Speaker, Sir, I am shocked by the Government's understanding of the agricultural sector. Only three statements have been made with regard to the agricultural sector, and they relate to Kenya Co-operative Creameries (KCC) and its repossession; the coffee sector and something small about cashewnuts. That is all the Minister has said, as far as the backbone of the economy of this country is concerned. The dairy sector is not just about the KCC. The KCC does not only require the Kshs400 million that the Minister has set aside for its purchase. When we talk about the KCC, we are talking about an organisation that would handle 70 per cent of the milk that is now being used in the country unprocessed. The KCC requires close to Kshs1 billion to be able to get onto its feet. The Minister just paid lip service to the problems facing the dairy sector. The tragedy is that the people who were recently appointed to head the dairy sector are the same old recycled people. They are politicians who have failed and have nothing new to offer. I hope the Government will consider, very seriously, the issue of recycling deadwood; people who would, otherwise, be in retirement.

Last year, economic saboteurs and unscrupulous importers of cereals, sugar and milk products were in the ruling party. Unfortunately, the same crooks are in the ruling party this year. The same issues that caused Mr. Osundwa to resign from the former Government last year are the same issues for which he was sacked this year. I am really wondering whether anything is changing. The more things change, the more they look the same. Last year, the economic saboteurs were not as influential as they are this year. Last year, they could not influence the Government to sack any Minister or Assistant Minister. But this year, Mr. Osundwa has been sacked because of speaking about the evils that the sugar industry is undergoing.

What are we telling our cereals, maize and sugarcane farmers? The Government should be committed towards stamping out people who import cereals and sugar into this country. Unscrupulous importers continue to roam around and import substandard goods into this country continue, which later find their way into our supermarkets and the Government is just sitting and watching. Apart from the little pledges that the NARC Government has made, there is nothing tangible that has changed. The unscrupulous importers are still there and doing what they were doing in the previous years. In fact, they have raised the stakes. I am surprised that we have a Minister for Agriculture and a Minister for Trade and Industry sitting in this House, while the livelihoods of many people in Kenya are threatened by imports.

Mr. Deputy Speaker, Sir, the Agricultural Finance Corporation (AFC) was charged with

giving credit to farmers. Apart from the Kshs210 million that we approved last year, I have not seen any additional funds that have been given to the AFC. That is the only organisation that lends money to farmers. Farming is not a very lucrative business and many banks cannot agree to lend money to farmers. So, the Government must make a deliberate effort to ensure that farmers access credit. That is the only way we can improve our production and, therefore, improve the lives of the farming community.

Tourism in this country is under siege, courtesy of the poor handling by the NARC Government of the security issues. The clumsy way in which the Minister in charge of national security has issued statements left, right and centre has caused the international community to have serious doubts about the security situation in our country. It is unfortunate that we can stand here and blame the Americans and the British for taking security measures in the interest of their citizens, while our own Minister is the one who went on air and said that our country is under threat. What did we expect the Americans and the British to do? I expect the Minister in charge of national security to take his job seriously, and know that the security concerns of this country go beyond him as an individual or them as a Government. The interests of all Kenyans are at stake.

With those few remarks, I beg to support.

**Mr. Kamotho:** Thank you very much, Mr. Deputy Speaker, Sir, for giving me this chance to also contribute to the Motion on this year's Budget.

I would, first of all, like to commend the Minister for Finance for giving us a fairly progressive Budget. Our biggest worry is the level of public debts as stated by the Minister for Finance. The country is almost bankrupt because, over years, it has been borrowing money both externally and internally, collecting revenue just to service debts and spending the rest of it in nothing but conspicuous consumption. Unless that trend is reversed, we would be cheating Kenyans that the economy of this country, which we, as NARC promised to resuscitate, will recover. The economy of this country may not recover.

Mr. Deputy Speaker, Sir, the other day I heard some economists say that the cost of living has gone up by 2 per cent and our target for economic growth this year is 2 per cent. This really means that the economic growth rate is zero. So, it is absolutely necessary, and bearing in mind the level of expectations and the excitement shown by Kenyans because of the changes that took place on 27th December, 2002, that the Government becomes more focused and ensures that all the revenue collected, given in form of donations, or even borrowed on long term basis, is put to production of goods and services.

Mr. Deputy Speaker, Sir, I do not see the need of our colleagues, the hon. Ministers, to feel as if there are people moving around to kill them. They should not feel insecure because Kenya is a very secure country.

*(Applause)*

If they want to have their beer, soda, meat or even *ugali*, they can go to River Road. They will do so and go home. Nobody will ask them.

**An hon. Member:** They may even have *miraa* at Eastleigh!

**Mr. Kamotho:** Yes, Mr. Deputy Speaker, Sir, they can even go to Eastleigh and have *miraa* peacefully. It is wrong for hon. Ministers or leaders to behave as if they are so insecure that the only security that matters is their security. I think the Government should think of providing security to all

the citizens as well as foreigners who come to our country as tourists or to do business. This is absolutely necessary. I support my colleagues who said that enough money should be put aside to improve the conditions of service of our security personnel. As we all know, the police officers are poorly paid and accommodated. Therefore, their morale to work is not there. I believe that the money allocated for security is inadequate and the Minister should direct his efforts towards this particular item.

Mr. Deputy Speaker, Sir, I would also like to remind the Minister, and the Government in general, that one of the reasons why we won the general elections last year was the pledge of creating 500,000 jobs every year for young Kenyans. We should not be seen to be creating jobs for retired people.

*(Applause)*

We should strive to create 500,000 jobs for school-leavers; those who are leaving high schools and universities. That is

the promise we made. We should have shown the way forward by appointing many young people to Government and parastatals. We should not be seen to appointing grandfathers.

*(Laughter)*

We should not have appointed people who already have grandchildren who have gone through universities and are looking for employment. We must be more serious!

Mr. Deputy Speaker, Sir, secondly, although we continue talking about creating 500,000 jobs, we are likely to lose more than 500,000 jobs. Look at the tourist industry. If you go to any of the tourist hotels, workers are all complaining. The hotels are empty. We have also had so many strikes since January and a lot of sackings by companies because the economy is under-performing.

Mr. Deputy Speaker, Sir, if the Americans and the British are our genuine friends they should have come forward to help this country to come out of the economic doldrums. They should have pumped in more money in production areas such as tourism, agriculture and other industries so that we can create employment opportunities for our people. Although they keep on singing that they are our friends, what they have done cannot be done to a friend. It can only be done to an enemy.

Mr. Deputy Speaker, Sir, we also hear that one of the conditionalities that they are now bringing forward for donor funding is to allow the Americans to have a military base in Kenya.

**Hon. Members:** No! No!

**Mr. Kamotho:** Mr. Deputy Speaker, Sir, if that is done, then we would be the easiest target for terrorists. We are a sovereign state. We should not give in to pressure. Although terrorists have, unfortunately, killed our fellow Kenyans, the targets are not Kenyans but the Americans and the British.

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

**Ms. Amina:** Thank you very much, Mr. Deputy Speaker, Sir. Before I begin, I wish to recognise that very eloquent contribution from our former Secretary-General.

*(Applause)*

I would further wish to recognise the efforts made by the Minister for Finance in his eloquent Speech and the contributions by all hon. Members from both sides. Although I support this Budget, I must---

**Mr. Sasura:** On a point of information, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Hon. gracious lady, do you want to be informed?

**Ms. Amina:** Mr. Deputy Speaker, Sir, I do not wish to be informed on anything by my neighbour, Mr. Sasura.

**Mr. Deputy Speaker:** Very well. Mr. Sasura, your information is not required.

**Ms. Amina:** Mr. Deputy Speaker, Sir, I stand to support the Budget Speech despite the fact that it is excessively biased to one product in the agricultural sector, namely coffee. The ASAL areas were totally ignored in this Budget. In fact, the only item that would positively contribute to the exports from these areas is the reduction of tax on hides and skins from 20 per cent to 15 per cent. Although we welcome this reduction, it will only assist the middle man who is exporting hides and skins. Unfortunately, this reduction will not trickle down to the pastoralists who produce the hides in the first place.

Mr. Deputy Speaker, Sir, this is a reflection of the inappropriateness of action by the NARC Government in reviving the development in ASAL areas of this country.

Mr. Deputy Speaker, Sir, security is one of the factors to focus on in the arid and the semi-arid areas of this country. When we ask questions related to security, the Minister of State in charge of Provincial Administration and internal security gives us flimsy answers and takes no action. A good example is the fact that Moyale Town was for one week totally closed because of an insecurity problem. The Minister gave us a flimsy reason for that occurrence and no action was taken. In addition to that, there was another bombing in the same town yesterday. We are not expecting any action from the NARC Government. It assumes that the rhetoric it has given us about development in the arid and semi-arid areas is sufficient without them investing in the improvement of the security situation in those areas. I call the NARC Government's promises "rhetorics" because the Minister stated here that there was a budget of Kshs799 million allocated to arid and semi-arid areas. As we all know, because we read these days, that budget is actually the annual budget of the Phase II of the Arid and Semi-Arid Lands Programme. This means that it was actually a fraud because that project was negotiated long before the NARC Government came into power. NARC has further distorted the definition of arid and semi-arid lands, when Kieni Constituency was selected as one of the beneficiaries of this project. The NARC Government is telling us, through this selective process, that all you need to do for your constituency to benefit is for your local Member of Parliament to be in charge of a Ministerial portfolio where there is a project that can fund activities in the region. That is all you need for your constituency to be selected. Is this the change that they had promised to give us? Lack of seriousness in the development of arid and semi-arid lands can further be displayed by the fuss added to the supposedly lean Cabinet of the NARC Government by creating the Ministry of Livestock Development from Agriculture. The next six months will be spent by these two Ministries sorting out confusion in division of resources. The confusion will be between those who will be assigned to livestock matters and those who will be assigned to deal with agriculture. In the process, the persons who will be affected are those who depend on livestock and no one else.

Mr. Deputy Speaker, Sir, my conclusion is that this change was not only to deal with internal power issues within NARC, but to divert attention from the promises of developing the arid and the semi-arid areas of this country. If the NARC Government was serious about the arid and semi-arid



lands development, it should have formed an arid and semi-arid Ministry instead of splitting these two inter-linked Ministries. I understand that the NARC Government has been investing much, in the fight against terrorism. This energy of fighting terrorism follows the alarm raised by the British and the American governments. The two countries took the world to a war against Iraq, looking for weapons of mass destruction, which they are yet to show to the international community. The fight against terrorism seems to be victimising the Kenyan Muslims. Muslims are regarded as second class citizens because we require the identity cards of our paternal grandmothers and the birth certificates of our paternal grandparents to get IDs and passports.

Mr. Deputy Speaker Sir, we are already second class citizens. When the police go to Eastleigh in Nairobi and arrest anyone of Somali or Muslim descent in the pretext of fighting terrorism, then we think that the Government is colluding with the external forces to further victimise the Kenyan Muslim Community. I wonder whether this country is being run by Americans and other people. It appears as if the President, the Vice-President, the Minister in charge of Provincial Administration and internal security, hon. Chris Murungaru, are all out of the country and the Americans are issuing these serious threats of terrorism. I read economic sabotage in these threats of terrorism issued by the Americans. Why would they not enforce travel bans to Israel, a country that has terrorist attacks even five times a day as though it is the five sallahs that we Muslims have to pray? I suggest that this economic sabotage is further focusing on Muslims. Since the September 11 attack, the money transfers by businessmen in Kenya were declared Al Qaeida funds and were all frozen. The frequent raids in Eastleigh, and the ban on flights to Somalia target another predominantly Muslim sector. We are told that flights to Somalia will transport terrorists and they should be stopped. We all know that Kenya has over 1,000 Kilometre border line with Somalia that is impossible to patrol. Why would these terrorists bother coming through Wilson Airport instead of passing through this unpatrollable border line? I think this is total economic sabotage. I rest my case on the externally-driven NARC Government's response to the terrorism threat.

Mr. Deputy Speaker, Sir, I would like to congratulate hon. Mwiraria for some of the progressive positive aspects of his Budget Speech. First, I would like to congratulate him for the positive incentives of streamlining the banking sector to assist the Kenyan borrower. My only hope is that he will address the legislations requiring amendments to make this promise implementable. His exemption of duty from all sports equipment is a measure that would greatly benefit a sector that could become a major foreign exchange earner if well managed.

Finally, I would like to congratulate him on his reduction on the VAT. With those few remarks, I beg to support.

**The Member for Naivasha** (Mrs. Kihara): Mr. Deputy Speaker Sir, I am glad you noticed me. I want to commend the Minister for Finance for the Budget that he read. He must, however, ensure implementation, otherwise, it will be just another document. I commend the effort to eradicate poverty by focusing on making agriculture more productive and organised by giving attention to the services that empower the farmer.

Mr. Deputy Speaker, Sir, Naivasha being predominantly an agricultural area, lacks a good road network. I am happy the Minister announced that he would increase the provisions for the road network. This will mainly help the pyrethrum farmers and vegetable farmers to sell their products to the buyers from the farm gates. Having to deliver the products down-town sometimes makes them fetch very low prices. On the same note, I propose that the Minister reintroduces the Guaranteed Minimum Returns (GMR) scheme to cushion them from risks of crop failure. That would enable them

to produce cash crops such as wheat and other agricultural products and be able to feed the Kenyan nation.

With regard to dairy farming, it is good to note that the Government has taken over KCC. This will be a relief to the farmers because a lot of milk has gone to waste since KCC collapsed. Most of it has been fed to dogs and cats which do not want to take any more of it now.

Mr. Deputy Speaker, Sir, I would also like to say something about the flower sector in Naivasha, because the area fetches this country a lot of foreign exchange through exportation of those commodities. However, the workers employed in this sector are mostly women and they do not benefit from the proceeds. I appeal to the Minister for Agriculture to allow us to charge some cess on these flower farms so that some of this money can benefit those people who work in the areas.

Many of these workers are casual labourers. Some laws need to be repealed. It is a known fact that some farms underpay these workers and their housing conditions are very poor. Women are either sacked when they are due to give birth or given a week's maternity leave. This is incredible.

On education, I commend the Minister for the additional resources made available to the Ministry of Education to help implement free primary education. The increased enrolment in primary schools however, calls for recruitment of more teachers. In Naivasha, there is an acute shortage of teachers. You will find a school with about 100 children, and only four teachers. You will agree with me that there can be no learning in such a situation. This can only be a day care school. The Ministry, therefore, needs to recruit more teachers to cater for the bloated population in schools.

Still on education, Naivasha having been settled recently by the residents, most of our primary schools are constructed with temporary materials. I have found parents and teachers actually muddying classrooms. With the increased resources, I hope the Ministry will upgrade temporary structures to permanent stone buildings. We have many secondary schools built by parents which the Ministry could complete, upgrade and provide TSC teachers.

Mr. Temporary Deputy Speaker, Sir, security continues to be a matter of concern to residents of Naivasha and to all Kenyans. Our insecurity is particularly caused by non-residents who come to graze their animals in our farms and they steal livestock. I would urge the Government to enforce respect for private property. On law and order, it is commendable to note that in his Speech the Minister undertook to organise the police force and make it more focused and effective. However, there have been cases where these law enforcers are themselves the suspects. In Naivasha, there was a case where the Anti-Stock Theft officers were found to be the ones harassing residents. Such elements should be strongly dealt with.

I would also propose additional police stations in reasonably big towns like Mai-Mahiu where the rate of crime has increased and cattle rustling is rampant. For local authorities, the Minister should control misappropriation of revenue collected by councils for development. For example, in Naivasha we have sand-harvesting where cess collected does not benefit the local community. The cess collected has always gone to political brokers and administration officers who have been in leadership committees for years. Efforts to elect new officers have been resisted by the current beneficiaries.

On water, Naivasha is a home for a lot of internal refugees displaced during the early 1990's tribal clashes. They do not have water where they are staying. They are crying to be resettled and be given water. Generally, in Naivasha, there is a widespread shortage of water. I am pleading with the Minister to come up quickly and give water to Naivasha residents.

Provision of health care services is a very important responsibility for the NARC Government. I wish to call upon the Government to improve hospitals, health centres and dispensaries and ensure

our taxes are not misused as has been the case in the past. It is my wish to have a maternity room in every health centre to enable women to be taken care of because of the poor road network and the long distances to the nearest main hospital.

Mr. Deputy Speaker, Sir, I wish to support the Minister's Speech.

**Mr. Masanya:** Thank you, Mr. Deputy Speaker, Sir.

Let me raise a few issues about the Budget Speech. It is true that we now know that the Recurrent and Development Expenditures of this Budget are more than our revenue which is Kshs240 billion. Even if the donors chipped in, there would still be a very big gap between the expenditure and our revenue. This means that the Minister for Finance will have to resort to domestic borrowing.

In order to attract investors to the domestic market, the Minister will have to give better terms than the private sector. In other words, the private sector will not benefit from the economic recovery that everybody is singing about because the Minister will utilise that money from the domestic market to provide essential services. The private sector will borrow this money at expensive rates because of the conditions that the Minister will give. Money will be scarce. The economy will be destabilized because there will not be any surplus money for the private sector to borrow from the domestic market.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, I also want to comment about the Excise Duty on soft drinks, which has been reduced. However, manufacturers of carbonated drinks have been discriminated against because they have to use many components to make their soft drinks, and yet Excise Duty on these drinks, including bottled water, has not been reduced. Although the Budget did not take care of the manufacturers of carbonated drinks, I salute the Minister for reducing the excise duty on soft drinks.

Mr. Temporary Deputy Speaker, Sir, the Minister, in his Speech, proposed to raise Kshs3 billion from a third mobile service provider. About 60 per cent of Kenyans are so poor that they cannot afford mobile phones. How does he expect to raise Kshs3 billion from the third mobile service provider? Who will invest in mobile services when duty charged on airtime has been increased? This will not be possible because already, the two existing mobile service providers find it very expensive to operate in Kenya because of high taxation rates. The number of mobile phone subscribers will drop drastically because of the high excise duty charged on airtime. Therefore, it will not be possible for the Minister to attract a third mobile phone investor and raise Kshs3 billion.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about personal tax. The taxation brackets have remained more or less the same. This is not a relief to poor Kenyans. We are all talking about economic recovery, but we cannot achieve it when Kenyans are heavily taxed.

Mr. Temporary Deputy Speaker, Sir, I would also like to comment on the free primary education in this country. We cannot have a successful free primary education programme if the Government does not employ enough teachers. When we talk about providing free primary education to children and we do not have enough teachers, it is like confining animals in a *boma* without grazing them. We cannot claim to provide them with quality education when we have very few teachers in

primary schools. Therefore, for us to have a meaningful free education programme, I would urge the Government to employ more teachers.

Mr. Temporary Deputy Speaker, Sir, I want also to comment on the VAT. The Minister reduced VAT from 18 per cent to 16 per cent. It could have been better if he reduced it to 15 per cent because this money would have gone directly to the pockets of Kenyans to boost their purchasing power.

If the Minister is serious about raising Kshs.3 billion from a third mobile service provider, then he should have reduced tax charged on airtime.

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

**Eng. Muriuki:** Mr. Temporary Deputy Speaker, Sir, I would like to support this Motion. I do have quite a number of points to raise. First, I would like to congratulate the Minister for supporting free primary education in the Budget. However, we have many pupils who go through primary and secondary schools, but they do not join universities because they cannot afford. The free primary education programme can only succeed if the Government will assist those who complete secondary school to join universities.

Mr. Temporary Deputy Speaker, Sir, I want to revisit the Government policy to sell public corporations by inviting strategic partners. I think this is a counter-productive move. When we say, for example, we will privatise or sell off the Government shares in the Kenya Commercial Bank (KCB), the end result is that the enterprise will become purely commercial and banks will withdraw from small towns. As a result, many towns like Ol Kalou will do without banks. This is because the KCB will concentrate purely on profit making. If they find that they are not making profit, they will not establish a branch there. The Government has a duty to take banking services to the people wherever they are.

A few years ago, the Government privatised the defunct Kenya Posts and Telecommunications Corporation (KPTC) by bringing in a strategic partner. This led to heavy investment in mobile phones all over the country. However, they never established telephone booths in rural areas. The people of Ol Kalou and other areas are not asking for mobile phones, but they want telephone booths. So, if we are going to invite a strategic partner into this country who does not think about the rural people, I think the whole policy is wrong.

As a matter of fact, the whole Budget has not changed from the original concept of supporting the elite and the urban people. It would appear that the Government has no problem getting funds for major highways to major towns. However, allocating some money to enable a cabbage farmer to transport his cabbages on these super highways seems to be a problem. In this Budget, the Minister has allocated Kshs3 billion for a water scheme for Nairobi City. He has also allocated Kshs2 billion for the Mombasa Water Project and Kshs1 billion for Kisumu City. By doing so, we are encouraging people in the rural areas to move to urban areas because that is where the Government is bringing facilities. Could the Government re-think about the whole aspect of urban versus rural development?

Mr. Temporary Deputy Speaker, Sir, the Government has articulated a very good policy to alleviate the housing problem among slum dwellers in urban areas. However, we are forgetting that those people in the slums came from the rural areas. We should find out why people leave the rural areas for urban areas and address those problems.

Mr. Temporary Deputy Speaker, Sir, the Minister, in his Budget, allocated Kshs4.5 billion to support the National Bank of Kenya. This is a bank on its own feet and it is doing well. For the last two years, they have been declaring profits. I would rather this money be channelled to other facilities

where farmers are, so that we can have more banks in the rural areas.

Mr. Temporary Deputy Speaker, Sir, this House, in its wisdom, did come up with a Constituency Development Fund Bill to solve the problem of Government neglecting the rural areas and remembering only the elite and the urban people.

As matter of fact, Mr. Temporary Deputy Speaker, Sir, when the Minister for Finance reduced the VAT from 18 per cent to 16 per cent, we all welcomed that. But because this country has no price controls, the Indians and other traders have not reduced the prices. They are still charging the same prices. The Government has lost revenue and the *mwananchi* is not benefitting at all. I would suggest that we should have left it at 18 per cent and put the benefits into the Constituency Development Fund.

On that breath, I would like hon. Members to come on 7th July, so that we can pass the Constituency Development Fund. From then onwards, we will have a say into what happens in our constituencies.

Last, but not least, it would appear the Government is operating under orders from some misguided rulers in Britain and America. These people are saying that they will cancel flights to Kenya and advise their citizens not to come to Kenya. Apparently, they are thinking that there are terrorists in Kenya. When we ask them why they are not stopping other---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! Order, Mr. Gumo!

**Eng. Muriuki:** Mr. Temporary Deputy Speaker, Sir, the Kenyan Government is paying attention to the rulers of Britain and America, who are the subject of terrorism. They are telling us that the reason why they are giving advisories to their citizens is that---

**The Minister for Finance** (Mr. Mwiraria): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to keep on stressing the fact that we are all listening to what the British and the Americans are saying, as if he is not hearing? What is he accusing the Government of doing? We are all listening to what the Americans and the British are saying. But we are not heeding---

**The Temporary Deputy Speaker** (Mr. Khamasi): What is your point of order, Mr. Mwiraria?

**The Minister for Finance** (Mr. Mwiraria): Is it in order for him to allege that the Government is receiving orders from elsewhere? Can he substantiate?

**Eng. Muriuki:** Mr. Temporary Deputy Speaker, Sir, I do not have to substantiate the obvious. Even the American Ambassador to Kenya stated very clearly on television that they are advising their citizens not to travel to Kenya because there are terrorists here. Where were they when those terrorists bombed the Pentagon, in Washington D.C.? They even bombed the main town in their country. If they are not able to guard their country, what magic do they think that Kenyans have, that they do not have? I hope the Government will not given in to the pressure to establish American bases here. If they do, they should bring that matter to Parliament so that we can discuss it.

Thank you.

**Mr. Lesrima:** Thank you, Mr. Temporary Deputy Speaker, Sir. I want to begin by congratulating the Minister for preparing a Budget at a very difficult time as this.

I also want to congratulate the previous speaker for the manner in which he has eloquently expressed the security problems facing us at this time. The most important thing today for Kenya is

security. I think that aspect of security which is external is much more difficult than the internal one, because we can deal with the internal one. But the security on terrorism is a very delicate issue and there seems to be certainty. When the Americans talk about the presence of terrorists in Kenya, they seem to have information. If they have information which the Kenyan security agents also have, I think it is about time that the two met together and took action. Americans are known to have the capacity to move from one nation to another to counter terrorism. If they insist that there are terrorists in Kenya, I think they need to liaise with our Kenyan security forces to solve that problem. As of now, we are left in a state of suspense. We are left in a state of paralysis. Our tourism sector has totally collapsed and this is going to result in economic hardships particularly to my constituents.

Mr. Temporary Deputy Speaker, Sir, we need to beef up security along the borders. Hon. Members have expressed concern about militia attacks from neighbouring countries. My constituents of Samburu are always attacked by militia from as far as Karamojong'. I think it is about time that we got our Army out of the barracks and sent them to strengthen the various police and military posts or, establish military and immigration posts along all our borders. There is no point keeping the military in the barracks in the cities when we are not secure at our borders. Mr. Temporary Deputy Speaker, Sir, we need also to support the budget of the security department, particularly for the police force. I want to say at this time that, in the Northern Rift, we rely heavily on the Kenya Police Reservists (KPR). But those KPRs are not on the Government payroll. They have guns but they do not have uniforms. They are not trained and they are not supervised. It is just a miracle that those young people are not misusing the guns, but they are committed to protect the community. I would like to appeal to the Minister for Internal Security to look for ways of providing them with some allowance so that they are not tempted to misuse the guns.

Mr. Temporary Deputy Speaker, Sir, I would also request the Office of the President to provide equipment to the police and upgrade police posts and police stations in the Northern Rift. As I speak, I have two divisions in my constituency where there are no DOs, vehicles and communication equipment. I would like the Office of the President to think about that.

Mr. Temporary Deputy Speaker, Sir, on prisons, there are very many Kenyans who are in prisons today when they do not need to be there. Remand and Allocation Prison, Nairobi Area, as of now, contains about 4,000 inmates when the capacity for that prison is 900. I think it is time that the magistrates utilised their discretion to implement the Community Service Orders Act instead of congesting our prisons and utilising resources that could be utilised for developing rural areas.

On health, Mr. Temporary Deputy Speaker, Sir, I notice a small increase of Kshs400 million in the Vote of the Ministry of Health. It is a very sad situation in the rural areas that we do have several clinics which have been put up using Government and NGO resources and yet they are not manned. At the same time, the Government has over the years trained many nurses and other para-medical personnel who are still unemployed. Those health centres also remain closed. I would urge the Government to look into ways of re-allocating funds to allow for the opening of the health centres to serve our people.

On the question of the National Aids Control Council (NACC), I think we have a problem. It is an ivory tower type of organisation where the principle of "survival for the fittest" is applied. I say so because, when you look at the guidelines for applying for funds, you require to be highly educated, a CBO with qualified people to do a proper project proposal, for one to obtain money. It means that unless one has technical skills to do that, he will not get the money or access the funds.

Mr. Temporary Deputy Speaker, Sir, let me touch on regional bodies. The six regional bodies

such as Kerio Valley Development Authority (KVDA), Coast Development Authority (CDA) and others, require streamlining. They are overmanned and their mandate was that of consultancy; to advise the region on planning. But now, a lot of resources are used to employ people, rather than to do the work that they were intended to do.

While on regional bodies, it is unfortunate that on the renewal of the KVDA Board members, my district was left out and yet, the law governing KVDA provides for a board member from Samburu District. This is a law and we have been having a representative in the Board since 1980. It is sad that the NARC Government has considered it fit to discriminate against us on that score.

On information technology, the Government needs to introduce it for efficient delivery of service in the public sector. The use of information technology can tighten loopholes and prevent leakages of Government funds. I want to remind the Government that, although they won the last general elections, the bureaucratic infrastructure of the former regime is still in place.

On mining, we need to decriminalise mining, so that, the local people can benefit from it. A lot of people are dying in Bondo, Ikolomani and other mining areas, because the law does not recognise their mining operations. I hope that the NARC Government is not going back to the era of attempting to licence Tiomin. There are massive resources in the Coast Province; especially Kwale district. Let us not have our resources sold to Tiomin for peanuts. It is ridiculous to sell one acre of land to the company that wants to mine the minerals for peanuts. Any strategic investor, who does not have concern for our people, and who is not going to uplift the living standards of our people, has no business coming to invest in Kenya, unless there is an arrangement in which Kenyans benefit from the mineral resources in this country. Unless that is put in place, there is no point in authorising them to mine.

Mr. Temporary Deputy Speaker, Sir, finally on free primary education, I want to congratulate the Government for introducing it. As I said in my contribution earlier this year, unless you put management in place, the resources set aside for free primary education will be misused. We need to train the headteachers on financial management. We need to sensitise the committees in primary schools so that we do not lose the money. There is no point of spending a lot of resources on primary education, if children cannot proceed to secondary schools. In my constituency, we have astounding arrears of school fees in secondary schools. Unless the bursary kitty is increased, the students will never have a future in education.

I want to congratulate the Government for creating the Ministry of Livestock Development, returning the Kenya Co-operative Creameries (KCC) back to the farmers and providing funds for the Kenya Meat Commission (KMC).

With those few remarks, I beg to support.

**Mr. Midiwo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this Motion. I almost believed that it is more difficult to get a chance to speak in this House than it is for a camel to go through the eye of a needle. I am saying this because some of us have tried to catch the Speaker's eye for a long time without much success. I thank the Chair again for giving me this chance to contribute.

I would like to start my contribution on the Budget speech by congratulating the Minister for Finance for presenting a Budget which has not been heard of, for decades. It was a step in the right direction. However, my expectations were not completely met, especially in the agricultural sector. I would like to commend the Minister for taking a bold step and reducing the tax levied on coffee farmers because agriculture is the backbone of his country. In his Budget, the Minister for Finance

did not put in place measures to stop the importation of sugar which is killing the sugar industry. This industry has collapsed because of a few unscrupulous money minters, many of whom were in the previous Government or are in the current Government. I thought the Minister would have used that chance to outlaw the importation of sugar, which is meant to bridge the sugar production deficit in the country. We have the capacity to produce a lot of sugar in this country.

Mumias, South Nyanza (SONY) and other sugar factories produce molasses which is used by agrochemical companies to make spirits. But the Minister for Finance talked about denaturing of these spirits. I found a copy of the Bill to be debated in this House on one of the seats in this House yesterday. When I perused it, I found that Section 9 which is supposed to come into effect on 1st July this year, talks about denaturing at the point of entry or manufacture. Do our sugar factories have the capacity to denature these spirits? Is this action intended to kill agrochemicals? I am asking these questions because I know that Mumias Sugar Company cannot denature these spirits to the specifications of the industrial manufacturers we have in this country. We also know that what comes from agrochemicals is ethanol and not methanol, which is alleged to be killing people in Central Province. So, although the Budget is good, there are some aspects of it which are retrogressive and will kill many industries. These aspects should be looked into.

Mr. Temporary Deputy Speaker, Sir, we also expected fishing nets to be zero-rated, but there was no tax exemption on the fishing gear. The fishing industry supports millions of Kenyans. I come from the lake region and I expect the Government to, at least, encourage and support the fishermen by reducing taxes levied on fishing gear.

Those of us who come from livestock rearing areas have not been allocated a single cent in the Budget to control diseases. I was in Gem Constituency, which is in Siaya District, over the weekend and found that many cattle are dying because there is an outbreak of a disease. I never saw a livestock officer when I was in my constituency. But even when you talk to them, you find that they do not even have the means to control that disease. So, if the Government is serious about encouraging livestock farming, it should look into disease control and other factors which affect animals.

I would now like to touch on the cotton industry. This crop grows in most parts of western Kenya. This is probably the most productive crop in western Kenya, but there was nothing about it in this year's Budget. The Budget was a good step in the right direction, but a national Budget should not cover certain subsectors of agriculture and benefit only one region of the country.

On taxes, personal tax has been talked about by a number of hon. Members. Personal tax in this country is too high. We cannot trust the Government to be a good spender of our peoples' money. The people are the best custodians of their money and they know how to spend it well. We know that some of our tax money found its way into Euro and Daima Banks. It is the peoples' tax money which went into some of those banks which have collapsed. We expect a good Budget to put more money into the pockets of Kenyans. I also expected this year's Budget to give incentives to our technocrats to stop them from fleeing the country in search of greener pastures. After 40 years of Independence, this country has no business whatsoever paying a university professor, leave alone a lecturer, Kshs34,000 per month. This salary is too low. We are a breeding ground for other economies as far as technocrats are concerned. In fact, if you visit a country like Botswana, you will find that the technocrats in both the public and the private sectors are Kenyans. This is not because those professionals do not feel like working and staying in Kenya, but it is because the Government is forcing them to flee this country by paying them low salaries.



On education, there is a provision in the Budget for bursary of Kshs770 million. I would like the Government to distribute this money equitably. Each constituency should get an equal amount of money from this bursary.

(Applause)

I am saying this because the Kshs770 million which will cater for bursaries this year is in the hands of a few officers at the Ministry of Education, Science and Technology. After the transfer of Mr. Gumo from the Ministry of Education, Science and Technology, everybody in Jogoo House is from one tribe. This is not good for this country. We, in the NARC Government promised Kenyans change. The only way we can bring this change is by stopping tribal minded people from favouring certain individuals or communities. The national resources should be distributed equally among our constituencies. The distribution of that money should be brought to this House for debate.

Mr. Temporary Deputy Speaker, Sir, I also want to say that the Government should also start looking into the future. What are we going to do with the issue of over-enrolment in primary schools? Pupils are currently over-enrolled in primary schools because of the free primary education programme. What are we going to do next year with the graduates from class eight? If they are not able to afford primary education, are they going to afford secondary education?

I am suggesting that the Government should think in that direction, since we over committed ourselves, and for the right reason, that people are going to get free primary education. We should think of a module that befits this country in terms of free secondary education.

We as the NARC Government promised jobs---

With those few remarks, I beg to support.

**Mr. Keter:** Thank you Mr. Temporary Deputy Speaker, Sir. I stand to support the Motion but I have some few comments to make. First, I would like to thank the Minister for Finance for reducing the Value Added Tax from 18 per cent to 16 per cent. This means that the tax net is going to be widened, thus the evasion of tax will reduce. But, I have a problem in that, as much as we talk here and say the Budget was so good, what is left is the implementation. We have had budgets before and they have been good but they have been left to the implementors and we have seen what happens. It is my prayer that this time round, since it is the NARC Government, I believe the people who are going to implement it will do so in totality and nothing is going to be left out.

I want to talk on some of the areas touched on in the Budget Speech. The first issue I want to talk about is the *matatu* industry. I know for sure, the *matatu* industry in this country has created a lot of jobs. But we consider the touts as people who are not educated and are not supposed to be where they are. Some of those people are graduates and they earn their living by touting. Therefore, the re-introduction of the Transport Licensing Board (TLB) levy is going to affect that industry so much.

I drove a *matatu* after my university education and I was earning Kshs1,000 per day. When you calculate that, it amounts to over Kshs20,000 per month, and this is a good salary. So when we introduce these measures and chase these people, what do we expect? We expect insecurity in our estates. Instead of the Government reintroducing the TLB levy, the *matatu* touts, drivers and conductors should have been given Certificates of Good Conduct. They should have been given some induction courses on how to take care of the public.

On information technology and communication, I welcome the duty exemption on computers. That will allow data communication in and out of our country and enable Kenyans to access the

internet service cheaply. However, zero-rating of computers and their accessories is not enough to enable us achieve these objectives. Realisation of these objectives depends largely on the tariffs in respect of fixed line telephony, which are still very high compared to those in other countries.

Mr. Temporary Deputy Speaker, Sir, the increase of Excise Duty on mobile telephone air time by 5 per cent will result in this already expensive facility becoming even more expensive due to the following reasons. Telkom Kenya Limited levies interconnectivity fees. This corporation, through the Communications Commission of Kenya, which is the regulator of the telecommunication industry, sets the rates to be paid by mobile telephone service providers. For example, when a call is processed by Telkom Kenya Limited, Kencell charges about Kshs27 per minute. The interconnectivity charges were determined hurriedly and out of the Kshs27 charged, Kencell gets Kshs21, while Telkom Kenya Limited, which uses Kshs12 to process that call, gets only Kshs6. Every time a Kencell subscriber uses his mobile phone, Telkom Kenya Limited, which is a public institution, incurs a loss of Kshs6 per minute.

On the other hand, Safaricom Limited charges for the same telephone call, also processed by Telkom Kenya Limited, at Kshs19 per minute. Safaricom Limited, which absorbs the Kshs8 difference in terms of tariffs, pays for that call at the rate of Kshs12 per minute, and the Kshs4 difference becomes a top-up. Our Ugandan and Tanzanian neighbours liberalised their telecommunications sectors in a hurry. However, three years ago, the Governments of these countries, through their respective telecommunications sector regulators, introduced a standardisation fee. Instead of saying that they would raise Kshs3.9 billion through licensing fee, they said that generation of wealth for the country depended on affordability of telecommunication service. So, instead of spending a lot of money, the Governments of Uganda and Tanzania adopted a joint venture system thereby spending little money. That way, public resources remained with the people.

Apparently, Safaricom Limited and Kencell Communications employ fewer people when compared to the workforce of Telkom Kenya Limited. Therefore, I would urge the Government to, through the regulator of the telecommunications sector, reduce and standardise the interconnectivity charges, so that the cost of telecommunication in this country can come down. Instead of paying Kshs30 or Kshs15 per minute, we should pay Kshs10 per minute. In other countries, local telephone calls are free. On the other hand, making a local telephone call in this country is a nightmare.

Mr. Temporary Deputy Speaker, Sir, another issue I would like to comment on is the hurried re-introduction of the Kshs10 and Kshs5 notes of our currency into circulation. This will impact negatively on the economy of this country. The Government has spent a lot of money, especially in the rural areas, where public telephone booths only accept coins. Now that we have re-introduced notes, what do we expect our rural folk to use when making telephone calls? Will they use the Kshs5 notes and Kshs10 notes? Are we, consequently, going to inject money into this sector and make our public telephone booths accept currency notes?

With regard to the agricultural sector, nothing of substance has been touched on. Only the coffee and dairy subsectors have been partially looked into. This country's economy is based on agriculture. We know that tea earns this country a lot of foreign exchange. My constituents grow a lot of tea. The small-scale farmer depends on the Kenya Tea Development Agency for his wellbeing. In the next two weeks, we expect over 65 metric tonnes of fertilisers to arrive in the country; the fertilizers are meant for small-scale farmers. I expected the Minister for Finance to lower some of the taxes which lead to increased cost of fertilizer. If one bag of fertilizer costs more than Kshs1,000, have we really assisted our farmers? Therefore, if the National Rainbow Coalition (NARC) Government

really has the welfare of the people at heart, and in particular the welfare of people in remote places like my constituency, the Minister for Finance should look into the possibility of reducing taxes on fertilizers.

Mr. Temporary Deputy Speaker, Sir, with regard to security, a lot has been said. The country's economy will not grow if insecurity increases. Consequently, poverty will increase.

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

Mr. Wanjala, you may have the Floor.

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, I thank you for giving me a chance to contribute to this very important Motion.

Before I contribute to this debate, I would like to salute the Minister for Finance, Mr. Mwiraria, the Minister for Local Government, Mr. Karisa Maitha, and the Minister for Justice and Constitutional Affairs, Mr. Murungi, for the good work they are doing. When we took over this Government, all of us expected radical changes. Such changes cannot be realised if we become lenient. When we took over power, we found that the country was in a mess.

I salute Mr. Mwiraria for his bold action of sacking all the Procurement Officers in the Ministries and parastatals. These are the public officers who have ruined this country through corruption. They own all the companies that supply the Government with all the items it needs. If you walk into a stationery store in town, you can buy a ream of photocopying paper at Kshs350. However, the same ream is supplied to the Government at more than Kshs1,600. If that is not corruption, then what is it?

**An hon. Member:** It is good business!

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, Mr. Moi, who is used to corruption, claims that it is good business. We all know who he is.

**Mr. Moi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for Mr. Wanjala to impute improper motive on me? He is trying to discuss me without moving a substantive Motion. Could he withdraw what he has said about me?

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, you know very well that Mr. Moi has been adversely mentioned at the proceedings of the Commission of Inquiry into the Goldenberg Affair as well as at court proceedings touching on the Euro Bank scandal. So, I was only referring to these cases.

**The Temporary Deputy Speaker** (Mr. Khamasi): Mr. Wanjala, you know the rules of this House. So, withdraw what you said about Mr. Moi.

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, I withdraw.

You have witnessed what Mr. Karisa Maitha has been doing in the country. The Minister is trying his best to rid local authorities of corrupt and lax officers. He has sacked some council workers on the spot. If you want to bring about radical changes, you do not hesitate to do certain things. I want to assure Mr. Murungi that we are behind him. We support him in his work. His sentiments are appreciated by Kenyans. He should ignore the noise makers on the Opposition side, who have ruined this country.

You have seen how this Government has been acting. In the Budget, it was very clear on the steps the Government is taking to contain flooding in this country. This is an issue that has been troubling us for the last 40 years. It has not been solved because of corruption in KANU where all the monies ended up in the pockets of few individuals while Kenyans were left suffering. In this year's Budget, the Minister addressed specific measures for containing flooding. It is upon the Minister for Environment, Natural Resources and Wildlife to take serious measures to ensure planting of trees in the catchment areas. Dams must also be constructed in the catchment areas to contain floods. It has

been a serious problem. Today, you will find Kenyans in various places, including Budalangi, living in makeshift camps as if they are refugees in their own country.

To date, the Government has spent over Kshs250 million to assist the people who are flood hit. That is a lot of money that would have been used to construct dams. We do not want to experience similar situations next year. The Government must move in very fast to start construction works before the onset of heavy rains. I propose that they involve the government of the Netherlands who have a lot of experience in containing floods.

There is insecurity in this country. Today, all neighbouring countries are trying to invade our country and harass Kenyans. In Turkana, there is insecurity because of banditry attacks. We have the East African Community and I expected that last week when the Heads of State were meeting in the summit, they would talk about the specific measures they were taking to protect the Kenyans, Tanzanians and Ugandans at the lake. You will find that the two countries have turned against Kenyans at the lake and are harassing them. Over 160 Kenyans are remanded in cells in Uganda. In Budalangi alone, we have lost Kshs10 million to Ugandans since January this year. They come to Kenya and abduct our people and later in Uganda, they claim that the people were fishing in their waters. There is no physical boundary in the lake. We wonder whether we should now ask our Government to provide passports to fishermen. All fish are bred in Kenya. They only go to the deep sea when they are big. The fishermen have to follow the fish's movements and they thus end up in the deep sea. Otherwise, they would be forced to fish small types of fish and there would no more fish in the lake. The Minister for Foreign Affairs should discuss this issue with our sister East African countries.

Mr. Temporary Deputy Speaker, Sir, for agriculture to prosper in this country, irrigation must be our priority. The floods that are a problem in Kenya are used in Sudan to---

### QUOROM

**Mr. Moi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Do we have a quorum in the House?

**The Temporary Deputy Speaker** (Mr. Khamasi): Are you saying there is no quorum?

**Mr. Moi:** Yes, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Khamasi): Yes, there is no quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! Order, Members! We now have a quorum.

Proceed Mr. Wanjala!

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, many irrigation schemes have collapsed in this country. This is an issue that the Government has to take up very seriously in order to revive these irrigation schemes.

The Minister for Finance reduced the prices of essential items or goods in this country. But when you go to the shops and petrol stations, you find that everything is still as it was. That means the Government gains no duty, while businessmen are gaining. It is high time, as a new Government, we

introduced price controls, so that Kenyans may reap the benefits of what the good NARC Government is trying to do for them.

Mr. Temporary Deputy Speaker, Sir, we are not sure whether the International Monetary Fund (IMF) is going to give us money. It is a game of cat and mouse. When they said that we have to pass the Anti-Corruption and Economic Crimes Bill, we passed it and they kept quiet. They have now changed; there is now terrorism, just because they want to rule us. They have got bad intentions. I am sure they are going to tell us that they want to put up a base in this country. That means that they want to rule us. But these people do not give us money for free. It is a business which we have to pay for. Therefore, we are asking them to give Kenya money, because now there is a new Government which is very serious and it follows the rules.

Mr. Temporary Deputy Speaker, Sir, we realize that last year, the Government that we removed from power had allocated Kshs600 million to bursaries. This money was spent by very few people. We now suggest that each constituency be allocated Kshs3.5 million out of the Kshs800 million that is allocated to bursaries. This will ensure that each constituency gets its share. The Member for Parliament and the development committee in that constituency should sit down and facilitate the paying of school fees for the needy students.

**Mr. Syongo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my contribution on this Motion. I want to commend the Minister for being one of the most optimistic human beings I have come across in the recent past. As I do so, I want to make comments on a few issues. To start with, I would like make comments on the measures that the Minister took to encourage savings as well as borrowing by the productive sectors of this economy.

Mr. Temporary Deputy Speaker, Sir, the Minister announced three basic steps to improve or to encourage savings. First of all, he promised that there will be more security or closer supervision of the commercial banks by the Central Bank of Kenya (CBK). Secondly, he did indicate that he would operationalise the Central Bank (Amendment) Act, 2000. However, while I appreciate that this would encourage those who have disposable incomes beyond their consumption levels to save more, I feel very strongly that he should have addressed the issue of the amount of money which is protected by the Deposit Protection Fund (DPF).

Mr. Temporary Deputy Speaker, Sir, hon. Members of this House will recall that at present only Kshs100,000 is guaranteed or is secured under the Banking Act. For an average saver of Kshs200,000, it means that if a bank collapses, then you lose half of your savings. The only way that we can encourage---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Khamasi); Order, hon. Members! Could you consult quietly, please, so that we can hear the Member on the Floor?

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, the most substantive step that we needed in order to encourage Kenyans to save money was to protect 100 per cent of the depositors' funds in the commercial banks. Kshs100,000 is too low and will not encourage Kenyans to save their money in commercial banks.

Mr. Temporary Deputy Speaker, Sir, while discussing the question of the DPF, I would like to say this: That given the fact that the Minister also reduced the threshold of the amount of paid up capital that you need to start a bank to Kshs250,000.00, there is going to be an upsurge of new small

banks coming up in this country. Therefore, we even need better protection for depositors' funds, otherwise, we are going to have a repeat of what we witnessed a few years ago when depositors lost their money in badly managed and unscrupulous banking institutions, set up purely in order to steal money from depositors.

Mr. Temporary Deputy Speaker, Sir, the Minister indicated that he would like to release more funds to be lent out to farmers, manufacturers and traders. He intends to do this by reducing borrowing from the domestic market. I am however concerned because that if you look at the figures carefully, you will find that the amount of money that the Government intends to borrow from the domestic market will reduce by only two per cent from the current levels. At the current level, the amount of Government borrowing stands at Kshs87.8 billion. The intended amount of Government borrowing from the domestic debt will be Kshs86.3 billion. A savings of Kshs1.5 billion is not enough to turn around the productive sectors of this economy. The Government must, therefore, look for ways of reducing its consumption of the domestic debt.

Mr. Temporary Deputy Speaker, Sir, even if the Minister was successful in encouraging the productive sectors to improve their productivity, they will still need a market to sell their extra produce. The agricultural and manufacturing sectors will need markets for their produce. To encourage producers to increase their production without giving them a market will not work and, therefore, we cannot expect to turn around this economy.

Mr. Temporary Deputy Speaker, Sir, I propose, therefore, that the Minister should have taken seriously the question of imposing controls on imports. We cannot turn around this economy if we are too shy to control imports. It does not make sense for a country that is probably the only one that can produce wheat, to allow the importation of wheat flour from Egypt, for the sake of supporting the Common Market for Eastern and Southern Africa (COMESA) rules. We cannot expect the manufacturing sector to improve if we import even sweets from South Africa, toilet soap and eggs from outside. I would have suggested that the Minister should take bold steps and put stronger barriers to reduce imports and, therefore, create a market for our productive sector.

Mr. Temporary Deputy Speaker, Sir, especially now that the Government is going to resuscitate KCC, it should offer incentives to farmers to produce powder milk for our dairy industry. This will ensure that there is a constant supply of UHT milk and other dairy products in our surrounding markets. This is the kind of policy that the Government should have pursued if we are really serious about turning around our economy.

Mr. Temporary Deputy Speaker, Sir, on the issue of access to credit by the agricultural sector, the Minister has indicated that by the Government borrowing less, farmers will have more access to credit but the issue of collateral still remains unresolved. In recent days, there has been talk of title deeds being changed. Unless we come out clearly on this policy, banks are going shy away from lending on the basis of title deeds as security. Moreover, in many parts of this country land has not yet been adjudicated and title deeds are not available to farmers in those areas. I would like to call upon the Government to speed up the process of land adjudication so that all Kenyan farmers can equally have access to credit. In areas such as Suba District where I come from, there are no title deeds whatsoever and one cannot expect production in the agricultural sector or any other sector to increase because access to credit is limited.

Mr. Temporary Deputy Speaker, Sir, much has been said about the fact that the fishing sector was completely ignored except the Kshs200 million that was provided for surveillance purposes. I would have expected that the surveillance would have been provided by the Navy because the greatest

amount of surveillance is required in the Indian Ocean where we have as many as 70 pirate fishing vessels from Korea and other countries, who pirate and take away our fish without paying any licence. At present, in Ghana, for example, a foreign fishing vessel pays as much as US\$100,000 per month in order to fish off the seas of Ghana. In Kenya they do not pay a penny, and yet we have an average of 70 of them at any given time in a month. I think that the Navy should have been used so that the Kshs200,000 which is going to be used for surveillance would have been used to improve other sectors which deserve it.

Mr. Temporary Deputy Speaker, Sir, the other point is the question of the ratio of personal emoluments versus allocation for Operations and Maintenance (OM) in the Civil Service. At present, it is on 90:10. In other words, 90 per cent of all allocations given to Ministries is going to pay for salaries. Only 10 per cent is available for fuel to put in the Land Rovers and even for stationery. We are providing money to employ civil servants in order that they may sit and admire their fingers. We should move and increase the allocation for (OM) so that these officers, many of whom are highly qualified, will be able to provide services to the taxpayers of this nation.

Mr. Temporary Deputy Speaker, Sir, my last point is on the issue of tourism. We have virtually destroyed our tourist industry on our own volition. The question of security in this country being used as a basis of destroying the tourist industry is something that we should be able to deal with very firmly. The Al Qaeda and all those terrorist groups have nothing against Kenyans. We do not hurt them because we have nothing to fight with them over. The real targets of terrorists are the Americans and the British because of their bad politics. They go to Iraq to pursue issues of weapons of mass destruction and yet up to now, there has been no evidence of the existence of such weapons. The real cause of our insecurity is the presence of the Americans and the British, together with their bad political policies. The real solution to our insecurity, without being too gentle, is to ask America and Britain to close their embassies and leave us alone. That is the only solution to the security problem facing this country.

*(Applause)*

But because we are good boys, it is time to do otherwise---

**The Temporary Deputy Speaker** (Mr. Khamasi): Your time is up, Mr. Syongo!

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

**Mr. Twaha:** Thank you Mr. Temporary Deputy Speaker, Sir. I would like to support the Budget Speech that was read by the highly qualified and respected Minister for Finance, hon. Mwiraria. It was a good Budget Speech and we hope it will stimulate economic growth in the country and make Kenya attractive to investors. Unfortunately, there is USA propaganda being peddled to tarnish Kenya's good name in the world.

Mr. Temporary Deputy Speaker, Sir, ten years ago, we were marching towards multi-party politics in this country. During that time, the then envoy, Mr. Smith Hempstone was busy agitating for multi-partyism in Kenya, while the US troops were in Saudi Arabia protecting one family - the house of Saud which reigns in Saudi Arabia. These are double standards. In the advent of multi-partyism, no aid was given to us! The proponents of multi-partyism brought a new topic called corruption. Still, no aid was given to us. As a result, the NARC Government came up with the zero tolerance strategy on corruption, but now, we are being told of insecurity. Therefore, the NARC Government also will not get any money. We should be able to learn that the USA and Britain are playing games with us.

They follow double standards. The bombs the US dropped in Afghanistan and Iraq were not sugar coated. There is no way their bombs can be sweet while the bombs from other countries are bitter. Their bombs are just as harmful as the terrorists' bombs. The "shock and awe" tactic they used in Iraq, in plain English, is actually, terror. Since it was an American who had shaved his beards and was wearing a nice suit, it was viewed to be good, but had it been somebody else fighting for freedom, it would be termed as terrorism.

Mr. Temporary Deputy Speaker, Sir, in our own history, the late Mzee Jomo Kenyatta was accused of terrorism, for being the leader of a "terrorist" organisation called Mau Mau. He and others were jailed for seven years. The same British killed, maimed and detained more Kenyans than all people killed by Osama bin Laden. Mzee Jomo Kenyatta's only crime was to tell the British to give back the land and freedom that they had stolen from us, but the term "terrorism" was used to spoil his name and waste seven years of his life. In South Africa, the former President, Nelson Mandela, was charged and convicted of terrorism. He was jailed for 27 years for being the leader of a "terrorist" organisation known as African National Congress (ANC), the party in power now, in South Africa. It is the same game, but different players! We should learn from these historical experiences and not be taken in by the foolish propaganda war being waged on us. We should not agree to be intimidated and harassed by the so called super-powers. The reason they are harassing us, is to divert attention from their own problems. In Britain and America, people are asking: "Where are the weapons of mass destruction? Where is Saddam Hussein? He is your friend. You used him to destroy Ayatollah Khamenei". Who knows, maybe they made a deal with Osama bin Laden because he was their friend - they used him to fight the Russians through the Mujahedeen. After he served their purpose, now they are calling him a terrorist. We really need to be careful.

Mr. Temporary Deputy Speaker, Sir, as we speak now, Vladimir Putin, another terrorist, is being wined and dined by the Queen of England, yet he destroyed an entire city called Grozny. He used fighter planes to destroy residential buildings to the ground. The whole world is entertaining him!

The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to refer to a Head of State of a friendly country as a terrorist?

Mr. Temporary Deputy Speaker, Sir, I am making the allegations here, so that the Kenya Government searches its conscience and re-examines the so called friendships. It should re-evaluate the so called relationships. It should also re-evaluate the status of the criminals, who murder with impunity, and have the nerve to go all over the world looking for enemies, and then pretend that it is our responsibility to look after them.

The United States of America (USA) has a defence budget of US\$300 billion per annum, but it was unable to prevent the September 11th terrorist attack. We have a budget of US\$3 billion per annum for our teachers and soldiers. What do they expect from us? The economy of this country is very fragile. A lot has been said in the last ten years about poverty and unemployment. We will never eradicate poverty unless we enhance the purchasing power of Kenyans. The purchasing power of Kenyans is the value of the Kenya Shilling. The Kenya Shilling is a commodity like any other commodity, and its value is determined by supply and demand. When the demand of a product diminishes, its value also diminishes. When the supply of a product increases, its value diminishes.

In 1991, the same Americans told the Kenya Government to conduct coffee and tea auctions in US Dollars. There are three motives why people hold any currency. There is the transaction motive, the store of value motive, and a third one which I do not remember. I studied economics ten



years ago. The only reason why the international community will hold the Kenya shilling is the transaction motive, to buy coffee and tea. When you agree to sell those commodities in US Dollars, you eliminate the demand for the Kenya Shilling and enhance the demand for the US Dollar. If the Government is serious about eradicating poverty, it should immediately issue an order that coffee and tea auctions be conducted in Kenya shillings, so that, every week, there is a substantial demand for Kenya Shillings for, at least, a few hours. That will enhance the value of the Kenya Shilling. When the value of the Kenya Shilling goes up, the amount of outflows to retire our foreign debts will reduce.

We will be getting the dollars for a few shillings. We will have more resources left for other projects.

Mr. Temporary Deputy Speaker, Sir, if the Kenya Shilling gains strength, the cost of fuel, fertilizers, pesticides and other inputs will go down. Kenyans will also travel and be part of the world economy. But when we agreed to conduct coffee and tea auctions in the US\$, we eliminated demand for the Kenya Shilling. A lot was said about the Goldenberg scandal and money that was printed during the 1992 general elections. That was the supply time. That supply is gone now. But the demand problem is still there. We have the power to solve the problem. Today, if the Government decides to conduct coffee and tea auctions in Kenya Shillings, and enhance the value of the Shilling, poverty will be alleviated.

Mr. Temporary Deputy Speaker, Sir, we get harassed when we go to the Fairview Hotel, Nairobi, by security personnel guarding the Israeli Embassy. In the year 2001, there was a world congress on racism, and the friendly country which Mr. Wetangula referred to, was declared a racist by the whole world. Unfortunately, the September 11th terrorist attack occurred and that event was wiped out of peoples' mind.

The September 11th terrorist attack dominated the world news for three months, and people forgot that Israel had been declared a racist state. Just as we imposed sanctions on South Africa because of racism, we have a duty to also impose sanctions on Israel, and kick them out of our country. They are oppressing people. They are now brainwashing us here, and we want to turn Eastleigh Estate into Westbank and Gaza. What we saw in Eastleigh Estate over the weekend is what we see on television in Westbank and Gaza. Despite the atrocities, they want to make Israel look normal. They are causing us here to commit the same atrocities against our own people. Last year, they even had the audacity to roll tanks into Heathrow Airport, allegedly to fight against terrorism. That is mere propaganda. Let us not be taken in by that foolishness.

With those few remarks, I beg to support.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you, Mr. Temporary Deputy Speaker, Sir. Let me also have an opportunity to support the Financial Statement by the Minister for Finance. The Budget, as presented to this House by Mr. Mwiraria, was very commendable. It was commendable because it was well thought out. It is a Statement that re-engineers our economic growth. As we all know, the economy of this country has stagnated for the last several years, and we have to take very bold steps, like the ones Mr. Mwiraria has taken, on behalf of the NARC Government, to re-engineer economic growth.

First and foremost, I want to commend the Minister for his comments, speech and action on banks. The biggest enemies to economic growth in this country are the commercial banks. Commercial banks have actually abdicated the responsibility and role they are supposed to play in our country, and are now pursuing purely mercenary activities of cleaning off money from any Kenyan who comes their way. It is shocking to learn that if you go to the bank to deposit your money, you are even charged to do so. You are charged for giving the bank your money to trade with. It defeats

common sense for banks to offer interest rates of one to two per cent to depositors, and charge 20 per cent plus to borrowers.

I commend the Minister for putting measures in place that will control the shylock behaviour of banks. I would want to urge the Minister to go even further and tighten the noose on banks, so that, they do not live on the sweat of unsuspecting Kenyans. No wonder, as you know, foreign banks based in Kenya post what one can even describe as obscene profits, because of the manner in which their operations are carried out.

Mr. Temporary Deputy Speaker, Sir, I also want to commend the Minister for paying attention to the Arid and Semi Arid Lands (ASAL). As you know, about 80 per cent of Kenya is either arid or semi arid. The NARC Government has taken a bold step to pay attention to those areas. It is in those

areas that you find the bulk of our livestock production. The soils are very fertile and all they lack is adequate water. I want to urge the NARC Government to take very serious steps in re-engineering the management of our water resources. If you go to countries like Namibia, Zimbabwe and countries that receive very little rain in a year, you will see how they manage their water resources. There are dams everywhere to harvest storm water, which is then used for irrigation and for animal and human consumption. I know this is a good start, but I want to urge the Minister for Finance, in his next Budget, to pay a little more attention on how to harvest, store and manage our water. We receive enough rainfall, even in the arid areas. If we harvested the water, it can last to the next rain season.

Mr. Temporary Deputy Speaker, Sir, this country is undergoing a lot of unnecessary difficulties because of terrorism. As you know, our tourism industry has virtually come to a standstill because of reckless speeches coming from what we think are friendly countries. These speeches are aimed at undermining our economy. One wonders and asks the question: Between Kenya, the Middle East, Israel, Egypt, Northern Ireland and Spain where Basque terrorists operate, which is a more dangerous place to go? It defeats sense. This is an affront to our good nature and an abuse of our good relationship with these countries for them to issue warnings to their people that they should not travel to Kenya. They have completely wiped out our tourist activities and our tourist based economy. In the process, we have lost thousands of jobs and billions of shillings in revenue. We have lost our ability now to balance our Budget because of the terrorism threat.

Mr. Temporary Deputy Speaker, Sir, I would like to urge the USA and Britain that if they really consider Kenya as their friend because they have embassies here and we have embassies in their countries, they should rescind the order they have given to their nationals from travelling to Kenya. That single statement has undermined our entire tourist network all over the world. Many people have a tendency of thinking that if Britain and USA can talk about a terrorist threat in Kenya, then it might be true. However, we know that USA and Britain are in very active engagements with countries and regions that are totally unstable and ravaged by war and terrorism, with bombs going off everyday.

Mr. Temporary Deputy Speaker, Sir, I dare say that even the bombing of Nairobi in 1998 and the recent bombing in Mombasa was not because we have any problem with those who bombed us. We were bombed because of our relationships with those who are now discouraging their nationals from coming here. This is the worst affront that can be meted to our country by those that we think are our friends.

Mr. Temporary Deputy Speaker, Sir, hand in hand with that, I would like to urge the Government to tighten security. Of late, incidents of carjackings and thuggery in our streets have been reported regularly. I would like to urge the Minister in charge of internal security to provide security, not because the Americans and the British are saying so, but because our people both in the rural areas and urban centres require proper security to go about their businesses.

Mr. Temporary Deputy Speaker, Sir, I would like to also commend the Minister for his

statement on the resuscitation of our infrastructure. For a long time, individuals who have now been christened "cowboy contractors" have fleeced the Government a lot of money. Where a tarmac road is supposed to be built, all we get is a veneer of tarmac. I think that the energetic Minister for Roads, Public Works and Housing should take very serious steps to make sure that if a contractor is contracted to build a road, let there be a road; a road that will stand the test of time. If a contractor is contracted to carry out any public works, let the works be done in accordance with the specifications. It is only this way that we will save money that we spend every year on unnecessary repairs of our infrastructure and put it to other uses.

Mr. Temporary Deputy Speaker, Sir, obviously, I cannot end without commending the NARC Government for the steps taken in the provision of free primary education all over the country. We have even been told that 18 year old boys and girls are taking advantage of this positive move and enrolling themselves in Standard One.

Mr. Temporary Deputy Speaker, Sir, this is a very commendable move. I urge the Government that as we go towards the end of our first five year term, we should graduate the free primary school education to include secondary education. Last but not least, I want to urge the Government to pay attention to the Kenyan farmers. Farm inputs in this country are damn expensive and if we really want to help the farmer, we must cushion them from the expensive inputs.

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

**Dr. Rutto:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this Motion. I would like to congratulate the Minister for Finance for the good Budget that he has given to Kenyans. I have a few comments though, on the philosophy of the Budget. Under the Policy Strategy, the Minister mentioned that the Government has established an economic recovery strategy for wealth and employment creation. The Budget that has been prepared out of this policy has been dubbed to be a Budget of the poor. It will enable the poor to get up and walk with the rich. In other words, it is a Budget that gives relief to the poor. It is assumed that the poor will have a breathing space from poverty. They can now be rich and the gap between the rich and the poor can now hopefully be closed.

The vital strategy that the Budget has proposed is that there is need to encourage growth in the construction sector, and enhance the growth of wealth and employment. There is also need to encourage growth in the manufacturing sector. The Budget Speech had something to do with tax relief to many players in the economy. There was a lot said in streamlining the wage policy in order to encourage a better and friendly wage situation. There was also a mention of the enhancement of communication both in the rural and the urban sectors. There was also a lot of emphasis on the controls on wastage, through such leakage points as corruption, and mismanagement activities in our Government offices. In fact, there was also emphasis on revenue collection and inefficient allocation of monetary resources. I think I would like to commend the Minister for Finance for doing this and giving Kenyans better opportunities for economic growth, through the various steps and initiatives.

Mr. Temporary Deputy Speaker, Sir, my comment this afternoon is that, as a country that is developing, we should now move from mere control of the mechanisms that we use to generate our economy. There is need to move from mere management, transparency and accountability matters to the real creation of wealth because that is the policy strategy that the Minister alluded to. We have an economic policy in place that seeks to create wealth and employment. There is a sense in which we can control, manage and get involved in transparency and accountability activities, but not be creative. Africa and Kenya have lagged behind in creating an active and growing economy.

We have been told that South East Asian Countries, for instance, moved away from mere control. They are creating wealth. As Kenyans, we should begin to encourage our people to create wealth rather than mere control and management of what we have. That is something that I found lacking in the Speech that was given to us by the Minister for Finance. To "create" means to move beyond mere control and management. We should encourage our people to work. I believe the President has urged Kenyans to work. By working, human beings generally create themselves. They create their culture, economy, values and knowledge by working. By working, human beings become makers of their own civilisation. We are fully human only to the extent that we work. The Budget should encourage people to work, to make their own history and to remake themselves.

I expected this Budget to encourage farmers to work. One of the factors that has depressed the activities of our farmers is the expensive inputs and machinery. I expected us, as a nation, to move towards subsidising agricultural inputs so that we can encourage our farmers to work. As they are now, they are discouraged by the expensive inputs that they have to buy. I expected a little bit of tax relief on fuel, particularly the kind that is used by farmers; that is diesel. I expected a tax relief on agricultural machinery.

What I found encouraging in the Budget is the issue of access to credit by women and perhaps the youth. This is a positive element of this Budget Speech. We cannot encourage creativity and initiative by merely encouraging access to credit and controlling and managing our mechanism for creation of wealth. We need to move towards subsidising some of the things that farmers use in order to encourage them to create a vibrant economy.

There has been a lot of hue and cry in the House about importation of agricultural products that Kenyans produce even in a better quality. We as MPs, have been complaining about the importation of sugar, milk and eggs, some of which are produced ably by Kenyan farmers. We are urging the Government to discourage the importation of these things and encourage our farmers to export them instead. We would like to encourage our farmers through a Budget of this kind, to engage in diversification of agricultural products.

In the area where I come from, there is potential for farmers to engage in horticultural production. The problem is that diversification is not emphasised particularly in Government policy. I would like---

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

**Dr. Rutto:** Mr. Temporary Deputy Speaker, Sir, I beg to support the Motion.

**The Minister for Justice and Constitutional Affairs** (Mr. Murungi): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make a few remarks in support of this Motion. We have listened to many Budget Speeches in this House and I think this is the best that I have listened to since I came to this Parliament about 10 years ago. The Budget is a policy instrument for national development, for generation and allocation of resources and for the economic development of a country. Given this definition, I think this is the best Budget that this country has had, under the present circumstances, to spur our economic growth and recovery.

The immediate first speaker, Dr. Rutto, said that the Budget does not encourage Kenyans to work. Nothing could be further from the truth. This Budget creates a sound environment for investment in this country and that alone is an adequate framework within which Kenyans can work. Whether Kenyans work or not is a question of attitude and behaviour. We have to challenge our people and create certain attitudes to get them back to work.

The President has been leading this fight for a change in people's attitudes and behaviours. He

has been everywhere saying that Kenya is a working nation. He has been challenging men to work because he said in the rural areas, it is the women who do most of the work while men spend their days roaming around on flimsy excuses. This is a strong message for getting Kenyans back to work. I think the President should just reiterate our motto at Independence, *Uhuru na Kazi*. The days of free things are gone and people have to sweat. That message has come out very clearly and therefore, I think the critique was not really supported by evidence.

The NARC Budget which was read by Mr. Mwiraria is not a political instrument. Budgets under the KANU regime used to be political instruments and were implemented in a manner which punished Opposition areas. They wanted areas where KANU sycophants used to come from to benefit. For the many years that I served in this House, my constituency was given a black-out because I came from an opposition area. I remember the former President visited Kisii and told Mr. Obwocha to his face that as long as he was in the opposition, all his constituents' problems would be solved "when funds became available." In fact, nothing was actually done in his constituency. We want to change that political culture. The NARC Government wants to develop every inch of this country irrespective of the political affiliations of hon. Members. That is why we have introduced the Constituency Development Fund (CDF). Hon. Members whether from NARC, KANU or any other party, will get an equal amount of money for the development of their constituencies. No constituency will be punished because of the way its constituents exercised their democratic rights by voting for the hon. Members of their choice.

Mr. Temporary Deputy Speaker, Sir, the measures introduced in the Budget will support our programme for creation of 500,000 jobs every year, uplift the welfare of farmers and rebuild our dilapidated infrastructure. We will also provide free primary education and better health facilities to our hospitals. Essentially, development means development of human beings. This is the focus of the NARC Government. All our development efforts must ultimately be people-centred. They must benefit every individual in Kenya irrespective of his social, political or economic status.

Mr. Temporary Deputy Speaker, Sir, we would like to develop this country as fast as we can, but we are facing some major challenges. For instance, we cannot develop with corruption. Although we have put corruption on top of our agenda, we are finding networks of the past regime which continue to exist under the NARC Government, putting every resistance in our fight against corruption. Some hon. Members of Parliament have gone out of their way to politicise corruption. Corruption is an individual affair. It is a question of crime and punishment and it should not be communalized.

Mr. Temporary Deputy Speaker, Sir, we are now facing the question of terrorism. There is a lot of noise and emotions about it. I think we need to appreciate this threat as it is. It is a psychological war and this nation should not be paralysed by fear.

We, as a Government, are doing everything possible to put the necessary security arrangements in place. We are working with our friends, the Americans and the British to close all the loopholes of terrorism. Very soon, we expect the British Airways to come back and the Americans to re-open their Embassy. We see this as a very temporary problem and Kenya will go back on its recovery track.

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

## ADJOURNMENT

**Mr. Temporary Deputy Speaker** (Mr. Khamasi): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, 26th June, 2003, at 2.30 p.m.

The House rose at 6.30 p.m.