

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 20th June, 2006

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

COMMUNICATIONS FROM THE CHAIR

INVITATION TO HON. MEMBERS TO MAKE ORAL/WRITTEN SUBMISSIONS TO SUB-COMMITTEE ON STANDING ORDERS

Mr. Speaker: Hon. Members, as you are aware, the Standing Orders Committee has now been appointed pursuant to Standing Order No.152. The Committee has appointed a sub-committee chaired by the Deputy Speaker to consider all amendments proposed to the Standing Orders, both by hon. Members and other interested persons. 2

The sub-committee is in the process of considering all the submissions and I appeal to hon. Members who have suggestions to make, to forward the same to the sub-committee. Members can make both written and oral submissions to the Committee.

PRESENCE OF DELEGATIONS FROM SOUTHERN SUDAN LEGISLATIVE ASSEMBLY AND PARLIAMENT OF NAMIBIA IN SPEAKER'S ROW

I also wish to bring to the attention of the House the presence in the Speaker's Row of delegations from Southern Sudan Legislative Assembly and the Parliament of the Republic of Namibia.

From the Southern Sudan Legislative Assembly, the delegates comprise, hon. Akili Deng Aquil, MP, hon. Joy Kwaje Eluzai, MP, hon. Oliver Mori Benjamin, MP and Ms. Victoria Chesang' Cherwon, Secretary to the

delegation.

From the Republic of Namibia the following delegation is as follows: Hon. Sebastian Kapuru; MP; hon. Willem Apollos; MP and Mr. Samuel Kaxuxuena from the Committee of the Clerk. They are visiting Kenya on a study tour. Let me take this opportunity to welcome them to our country and wish them a happy and enjoyable stay.

Thank you.

Hon. Members, you will realise from the Order Paper that there will be a Procedural Motion to be moved. This must be done before 3.30 p.m. Dr. Kituyi was directed by me to report

to the House the progress on Uchumi Supermarkets Ltd. He has informed me that he is ready with the report. Therefore, I intend to finish Question Time by 3.15 p.m., so that business will begin at 3.30 p.m. as directed by the Standing Orders.

PAPER LAID

The following Paper was laid on the Table:-

Report of the Departmental Committee on Administration of Justice and Legal Affairs on the Statute Law (Miscellaneous Amendments) Bill, 2006.

(By Mr. Muite)

QUESTIONS BY PRIVATE NOTICE

NUMBER OF CONDEMNED SCHOOL BUILDINGS IN TESO DISTRICT

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

(a) How many schools in Teso District have been condemned by the Ministry of Health as having buildings unsuitable for human habitation?

(b) Is the Minister aware that three dormitories at St. Monica Chakol Girls Secondary School were completely burnt down on 8th May, 2006?

(c) Is he further aware that strong winds destroyed classrooms at Papa, Kishombe, Katakwa, Alupe, Amongura and Olepito Primary Schools?

(d) What urgent measures has the Minister put in place to address (a), (b) and (c) above?

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

(a) There is no school in the district that has been condemned by the Ministry of Health due to buildings being unsuitable for human habitation. However, Katakwa Primary School was assessed and inspected on 3rd April, 2006, by the public health technicians and also inspected again on 7th April, 2006, by the District Works Officer. Both recommended 12 new classrooms to be built since the old building had cracks and would be uneconomical to repair.

(b) I am aware that the two dormitories at St. Monica Chakol Girls Secondary School in Teso District, and not three, were burnt down on the morning of Sunday, 7th May, 2006. The two dormitories were Okoloi and Ojaamong, housing 128 students. The DEB/BOG held an emergency meeting on 7th May, 2006 and managed to arrange for alternative accommodation and learning is back to normal.

(c) I am further aware that between 1st February and 28th May, 2006 strong winds caused the destruction of certain structures in six primary schools which the Member of Parliament knows about.

(d) The Ministry has allocated some money using repair and maintenance funds to do some of the repairs. The school should utilise these funds for that. The school's management committee and parents, including the Member of Parliament, have been requested to mobilise resources to address such emergency cases.

Mr. Ojaamong: Mr. Speaker, Sir, I asked this Question because I am aware that, in the Ministry of Education there is a department of disaster management and millions of money have been allocated to it. Could the Assistant Minister consider getting some of these millions from the Disaster Management Fund and give it to these schools, instead of telling me that Kshs16,000 or Kshs30,000 will be enough for repairs?

Dr. Mwiria: Mr. Speaker, Sir, if we had resources, we would be willing to do that. With regard to emergencies and classrooms being blown off by the wind, there are emergency resources in the CDF. I do not think we should wait until we get funds from the Disaster Management Fund in order to repair these classrooms, when we could use resources from the CDF to get children back to school. Wherever there are possibilities, we are quite willing to consider.

Dr. Ojiambo: Mr. Speaker, Sir, it appears to me that this is more than an emergency. A number of schools have been affected, and in turn, a number of children in Amagoro have also been affected. This is an area where the Ministry of Education must do something very urgently. Beyond that, we know that the Ministry can mobilise resources and put up some temporary structures for those students, particularly the girls who are sleeping out in the cold. Could the Assistant consider putting up a pre-fabricated structure for those girls?

Dr. Mwiria: Mr. Speaker, Sir, right now there is no specific Vote for that. I would like to inform the hon. Member that, if there are any resources we will consider the issue. We would like the hon. Member to appreciate the constraints in which the Ministry is operating and realise that it is not given that, that must be done. If we can organise that, of course, we will be quite happy to consider.

Mr. Ojaamong: Mr. Speaker, Sir, in part (a) of the Question, the Assistant Minister says that no school buildings in Teso District have been condemned by the Ministry of Health. Records available indicate that over ten schools have had their buildings condemned by the Ministry of Health officials. Among them is Ikapoloo, Apegei, Atherait and many others. Is the Ministry waiting for a disaster to happen in order to believe that some schools in Teso have been condemned?

Dr. Mwiria: Mr. Speaker, Sir, we normally do not wait for disasters to happen before we act. Unfortunately, sometimes we get to know about disasters once they have been reported. But, as soon as they are reported, we take action.

NON-ISSUANCE OF UK VISAS TO
PROMINENT KENYANS

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

(a) Is the Minister aware that several prominent Kenyans, including former Cabinet Ministers, chairpersons of Parliamentary Committees and other Members of Parliament have been denied entry visas to the United Kingdom and the United States of America?

(b) Is he further aware that many other prominent Kenyans, including Ministers and MPs, are being targeted for a possible ban preventing them from entering these countries?

(c) What are the reasons for this action by the countries against Kenyan citizens?

(d) What are the implications of this action on Kenya's sovereignty?

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

(a) The Ministry of Foreign Affairs is aware of reported cases in which the authorities of the United Kingdom and the United States of America have denied some prominent Kenyan nationals entry into their respective countries. The Ministry normally facilitates applications for visas by officials travelling abroad on official business through established diplomatic channels, but foreign missions have the right to issue or not to issue the entry visas.

(b) The Ministry is not aware that many other prominent Kenyans including Ministers and Members of Parliament, are being targeted for a possible ban to enter the United Kingdom or the United States of America. No foreign mission in Nairobi has intimated such decisions to target any Kenyans for the travel ban, to the Ministry. However, the sovereign authorities of the two countries

may take decisions and actions that they deem best fitted for their respective national interests, including issuing of travel bans to non-nationals.

(c) No reasons are given for the denials of visas. It is in line with international practice that the denial of entry for non-nationals is the sovereign right of all States. For this reason, no State is entitled to receive any justification for such denial.

(d) The decision of the two governments to ban some Kenyans from visiting their respective countries has no implications on Kenya's sovereignty for the reasons given above. Kenya is also at liberty to reciprocate if any such decision is deemed to be prejudicial.

Mr. Mwandawiro: Mr. Speaker, Sir, Kenya is a sovereign nation. Any Government of the day is first obligated to defend Kenya's national interests and sovereignty. Prominent Kenyans like Government Ministers are denied visas by foreign governments, for example, the United States of America and Britain, without giving any reasons. These people have never even been tried in any court of law and yet the Government pretends not to know the reasons why they were denied entry visas. Is

this Government really defending the sovereignty of Kenyan nationals or has it given in to the wishes of the United States of America and Britain?

Mr. Tuju: Mr. Speaker, Sir, the Ministry of Foreign Affairs, and I personally have taken up this issue with the United States Embassy over the despicable and disrespectful manner that Kenyans are treated at their embassy when they are looking for visas.

I will issue a Press statement very soon but I also request hon. Members to support us on this process. I request the Departmental Committee on Defence and Foreign Relations Members to meet me as a matter of urgency so that I can update them on some of the steps that I have personally taken. However, I appeal to hon. Members to be proud of being Kenyans. There is a culture in this country today, where we turn up and suck up to foreign missions. We line up with cards in our hands at their residences every time they invite us for cocktail parties to eat *samosa* and meat in skewers. Whether you are in the Government or in the Opposition, we should uphold our dignity. We should not cheer up some of those countries as they abuse our motherland and Government.

(Applause)

We should not cheer up those countries as they humiliate us. I accept that we have problems at home which we should deal with. Why is it that we continuously go to those countries, suck up to them as if they own this country? You cheer them today but tomorrow they turn against you. I appeal to hon. Members to be proud of being Kenyans and uphold our dignity.

Mr. M'Mukindia: Thank you, Mr. Speaker, Sir. In view of the persistent interference in Kenya's internal affairs by the United States of America (USA) and the United Kingdom (UK) culminating in the USA Ambassador calling for a regime change in this country on 4th July, 2005-- - In view of the fact that Kenyans continue to be humiliated by those nations, and noting the peace process that this country has undertaken for many years in Somalia, but it has been destroyed by the USA to the detriment of this country, could the Minister consider severing diplomatic relations between Kenya and the US and the UK?

Mr. Tuju: Mr. Speaker, Sir, I am paid by this country to be its chief diplomat. That is why I appeal to the Departmental Committee on Defence and Foreign Relations to meet me so that we can deliberate on those issues so that when I come to this House to issue a Ministerial Statement, it will be a joint statement that includes the views of hon. Members in the Opposition.

Maj. Madoka: Thank you, Mr. Speaker, Sir. The Minister has clearly stated that we should not go to those functions and succumb to the humiliation we are subjected to by those

ambassadors. Recently, at the British High Commissioner's residence, we were humiliated and yet there was a Government Minister. That Minister stood there applauding. What action will he take against that Minister for succumbing to such humiliation?

Mr. Tuju: Mr. Speaker, Sir, I have stated on record what the hon. Minister, who I think was Dr. Noah Wekesa, did when he was subjected to humiliation. He simply chose to do the most diplomatic thing. He said that since the ambassador had decided to be a politician, he would be a diplomat. He simply read the message from the Kenyan Government. That was a very dignified way of dealing with that issue. I will come up with a new protocol that stipulates that we shall not send representatives to national functions that are organised by the countries that abuse us. I request the Members of the Departmental Committee on Defence and Foreign Relations to meet me so that we can discuss this issue and several others in which other nations have chosen to dictate what Kenya should do. We should meet and issue a statement on behalf of Kenyans.

Mr. Mwandawiro: Mr. Speaker, Sir, I thank the Minister very much for his honest and candid answer which I fully subscribe to. Having said that, when foreign governments prevent Kenyans from visiting their countries, that is certainly prejudicial. This is the case when it happens to be hon. Members and especially Cabinet Ministers. When will the Minister reciprocate those acts against the USA and Britain?

Mr. Tuju: Mr. Speaker, Sir, I alluded to the sorry state in which we, as hon. Members, go to the residences of those foreign missions and suck up to them. That is why both sides of the House should reach a consensus to the effect that the hon. Members who continue to go to those missions to suck up to them can get sanctions from this House. They should know that they are acting out of step.

ORAL ANSWERS TO QUESTIONS

Question No.099

NUMBER OF POLICE OFFICERS KILLED WHILE ON DUTY

Mr. Mwanicha asked the Minister of State for Administration and National Security:-

- (a) how many police officers have been killed, maimed or severely injured by suspected criminals while on duty over the last five years;
- (b) who meets their hospital expenses;
- (c) how much compensation is offered per vital organ or limb maimed or lost; and,
- (d) what type of insurance cover is offered to them.

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

(a) The following is a statistical breakdown of deaths and injuries of police officers in the course of duty caused by suspected criminals in the past five years. The number of deaths is 157 and the number of the officers maimed or severely injured stands at 281.

(b) The hospital expenses are met by a combination of Government insurance and individual contributions.

(c) The level of compensation is determined by the degree of the injury inflicted to the officer as assessed by a Government medical doctor and as per scale under the specific insurance package.

(d) The police officers are covered by a group personal accident cover, the National

Hospital Insurance Fund (NHIF) and the Workman's Compensation Scheme.

(A mobile phone rang)

Mr. Speaker: Order, hon. Members! Now we have mobile phones ringing in the Chamber! Is that a mobile phone or a radio? What is it?

(Laughter)

An hon. Member: It is mine!

Mr. Speaker: I am glad you have owned up! You are truly honourable and because of that honour, I will let the matter rest there. However, switch off all your mobile phones and other interruptive gadgets.

Mr. Mwanicha: Thank you, Mr. Speaker, Sir. From the answer the Assistant Minister has given to this House, you can see that 157 policemen have been killed in the course of their duties. Again, 281 officers have been maimed or severely injured. If it is true that those policemen have been paid through the insurance scheme and their own contribution, how much money in Kenya Shillings was paid to the families of the 157 policemen who died and to the other 281 officers who were maimed?

Mr. Kingi: Mr. Speaker, Sir, if we had been asked to give the total amount of money that was paid to those officers, we would have done that. However, the Questioner sought to know the number of police officers who died and those who were maimed and the kind of schemes that are in place to cater for their welfare. In view of that, I do not have that information.

Mr. Omingo: Thank you, Mr. Speaker, Sir. The casual answer given by the Assistant Minister is wanting. I propose that he addresses the issues. Part "c" of the Question asks: "How much compensation is offered per vital organ or limb maimed or lost?" That is very specific! Could the Assistant Minister answer that part?

Mr. Kingi: Mr. Speaker, Sir, I do not know why the hon. Member thinks that I am being casual on this Question, and yet I am very serious. We do not have a flat figure for compensation. Compensation will depend on the assessment carried out by a medical doctor. This is the practice everywhere.

Mr. Mwanicha: Mr. Speaker, Sir, I had asked how much money has been paid to the 157 officers who were killed and to the other 281 officers who were maimed. This is arithmetic!. I still insist that the Assistant Minister should answer that question because I think the policemen who are killed are not compensated. If that is true, could he give an answer to this House on how much money has been paid?

Mr. Kingi: Mr. Speaker, Sir, if that is what the hon. Member wanted us to give him, then he should have asked that Question and we would have provided a specific answer. However, as the Question is, the hon. Member only wanted to know how much compensation is offered per vital organ or limb maimed. I have said that there is no specific figure until an assessment is carried out by a medical doctor.

Question No.213

COST OF ONE KILOMETRE OF
TARMAC ROAD IN KENYA

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

(a) what is the average cost of constructing a kilometre of tarmac road in Kenya; and,

(b) what is the average cost per kilometre in the neighbouring countries.

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

(a) The average cost of constructing a kilometre of tarmac road in Kenya is between Kshs30 million and Kshs60 million.

(b) My Ministry does not have the data showing the cost of construction of roads in our neighbouring countries.

Mr. J. Nyagah: Mr. Speaker, Sir, given the fact that tarmac roads are supposed to last for 15 years, but they only last for five years, is the Assistant Minister satisfied that the average cost of constructing a kilometre of a tarmac road in Kenya is between Kshs30 million and Kshs60 million?

Eng. Toro: Mr. Speaker, Sir, there are various categories of tarmac roads. Before I confirm whether that amount is reasonable or not, I would like to go through the steps taken when constructing a tarmac road. First, the road is gravelled, then resealed, recarpeted and rehabilitated. Finally, we have the construction and reconstruction---

Mr. Munya: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to withhold information from the House? It is unbelievable to hear him say that he is not aware of the cost of constructing roads in neighbouring countries, when that information is on the internet. He also meets Ministers from the region. Is he not withholding that vital information from the House?

(Applause)

Mr. Speaker: Mr. Assistant Minister, that is being taken in very bad light!

Eng. Toro: Mr. Speaker, Sir, I do not have that information and so, I am not misleading the House. That is what I said.

It depends on how you perceive construction of roads. That is why I talked about gravelling, resealing and re-carpeting. You might bring a figure from a neighbouring country where they did re-sealing and not re-construction and construction. I was talking about re-construction and construction. That is the answer I gave. If I may give an example of what is happening at the moment--- I want to ignore what happened during the time of the KANU Government, in which Mr. J. Nyagah served as a Minister. That time, roads were meant to last only two years. But this Government is ensuring that roads that are being constructed will last their designed period of time.

There is the example of the Kitui-Kangonde Road which is currently under construction. The average cost of construction per kilometre is Kshs25.3 million. You can see the construction standards of the Sultan Hamud-Mtito-Andei Road. The cost of construction was Kshs48.5 million per kilometre. The Mai Mahiu-Naivasha Road, which is currently under construction, will cost Kshs62.4 million per kilometre.

Mr. Speaker, Sir, may I also add that all foreign-funded constructions cost more than locally-funded constructions because of stringent conditions that are imposed by the donors. For example, only contractors from the European Union (EU) are allowed to tender for EU-funded construction works. So, they tender very highly because they have to mobilise their teams to come from overseas.

Capt. Nakitare: Mr. Speaker, Sir, the Assistant Minister is assuming that the House can understand what he perceives to be construction cost of roads in Kenya. We have been depending on tarmacked roads. But now that he is using cement to construct roads, could he tell this House how much it would cost per kilometre, compared to bitumen roads?

Eng. Toro: Mr. Speaker, Sir, we are re-constructing Mbagathi Road using cement. But that is on a trial basis. We want to have our own local standards for cement-constructed roads.

However, so far, we know that cement-constructed roads will cost about three times more than bitumen roads. We asked the contractors for Mai Mahiu-Naivasha Road to tender for cement construction. The cost was so prohibitive that we abandoned the idea. It was costing three times more than bitumen roads!

Mr. Arungah: Mr. Speaker, Sir, could the Assistant Minister consider working out the cost of murraming roads in all districts, so that we are not ripped off by district engineers? The cost of murraming one kilometre of road varies from Kshs1 million to Kshs1.5 million. Could he consider coming up with a standard cost of murraming a kilometre of road to assist this House, so that we can know where our money is going?

Eng. Toro: Mr. Speaker, Sir, it is not possible to come up with a standard figure for gravelling. That is because all roads are different. Some roads may require construction of new bridges. Drainage systems in some areas are more difficult to deal with than in some other areas. The figures that we have for gravelling range from Kshs2 million to Kshs9 million, depending on the nature of the terrain.

Mr. Speaker, Sir, as a Ministry, we are thinking of another way of gravelling our roads. They do not last long. We are exploring new technologies. We want to add some additives to make a seal on the gravel roads so that they can last more than five years, as opposed to what is happening now. It is not easy to deal with gravel, especially when there are heavy rains.

Mr. Speaker: Last question, Mr. J. Nyagah!

Mr. J. Nyagah: Mr. Speaker, Sir, when I was in the Cabinet, we did an analysis and found out that constructing roads in Kenya was much more expensive than in Uganda and Tanzania. That is what we found out then. Is the Assistant Minister convinced that the cost has come down? Is the current Government doing a better job now? Are we in the same level with Uganda and Tanzania? Could he also confirm that the high prices are not as a result of high levels of corruption in the construction of roads?

Eng. Toro: Mr. Speaker, Sir, the costs are not likely to come down. The cost of petroleum products is totally different from what it used to be three years ago. Bitumen is a by-product of petroleum. It has become more expensive than it was three to four years ago.

The bulk of construction equipment use diesel. It is now more expensive than before. So, the cost of construction is not likely to go down. All we can do is to have a prudent management of projects, so that our engineers could do proper supervision. That way, the roads will last their design periods. I can assure the House that we are doing our best to control the management of the projects.

Mr. Speaker: Very well. Next Question by the hon. Member for Kinango Constituency!

Question No.351

WITHHOLDING OF REPORT ON BOMBOLULU GIRLS SCHOOL TRAGEDY

Mr. Rai asked the Minister for Education:-

(a) whether he is aware that Bombolulu Girls Secondary School was burnt down on 25th, March, 1998;

(b) whether he is also aware that a public inquiry was conducted by a 13-member Commission which sat for 30 days; and,

(c) why the Government has not released the findings to the public.

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

(a) I am aware that a fire tragedy occurred on the night of 24th/25th, March, 1998 in Bombolulu Girls Secondary School dormitory, in which 26 students perished and several others were injured.

(b) I am also aware that a Commission of Inquiry headed by Bishop (Rtd) Lawi Imathiu of

the Methodist Church was appointed to conduct a public inquiry and present the findings to the former Head of State.

(c) The findings of the inquiry were not released - and cannot be released - because the appointing authority - in this case former President Moi - is the only one who could have released them.

Hon. Members: Ah! Ah!

Mr. Kombe: On a point of order, Mr. Speaker, Sir. The inquiry was ordered by the Government. The Government is a continuous process. So, is the Assistant Minister in order to say that the former President was the only one who was supposed to release the report, when the NARC Government is in power now?

Mr. Speaker: Sure! It raises the whole question of continuity! Did the former President take the report home?

(Laughter)

Dr. Mwiria: Mr. Speaker, Sir, you knew the former President so well. He formed so many Commissions of Inquiry for which he gave no reports. He mainly formed them to ventilate pressure or just to divert attention. So, there are many other reports that he did not make public. In any case, a President appoints a Commission of Inquiry after being convinced that he should do it. I consulted the Attorney-General before I came to answer this Question and according to him, according to the Commissions of Inquiry Act, only the appointing authority can release the report. This particular report should have been released in 1998. In fact, I would like to challenge the hon. Member to say why he has waited for many years to ask for this report.

Mr. Speaker: Order, Mr. Assistant Minister! We are dealing with a House and statutes; the Acts of Parliament. I suppose the appointing authority is the institution of the Presidency and not the person. The Act states that the appointing authority is the President of Kenya. Kenya has never seen one day without a President. So, can you please address the House!

Dr. Mwiria: Mr. Speaker, Sir, now that you have pushed me to this point, this is a matter for the Office of the President. In fact, we should have diverted this Question to the Office of the President. However, who could be a better authority on advising on law than the Attorney-General? He has informed me that it is actually the appointing authority who should have released the report.

I would, therefore, like to request that we divert this Question to the Office of the President. That was the appointing authority and I am not in that Office.

Mr. Speaker: In the interest of the House and the general Kenyan people, this matter needs to be addressed properly. You may as well from your statement jeopardise the work of Commissions either at present or in the future. You are putting on line their need and ability to serve a particular purpose.

I will defer this Question. Between you and the Office of the President, find out whether truly, as you have said, Commissions are appointed to take off pressure from Kenyans.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Speaker, Sir, the Question will be answered if you give us a few days. This is one of the many Commissions whose reports were never released. Our policy is to release Commissions' reports. We will be answering the Question comprehensively.

Dr. Mwiria: Mr. Speaker, Sir---

(Loud consultations)

Mr. Speaker: Order, hon. Members! That is totally uncalled for and unparliamentary! The Assistant Minister will have the Floor!

Dr. Mwiria: Mr. Speaker, Sir, I was going to agree with Ms. Karua that between the Ministry of Education and the Office of the President, we shall consult and get the Question answered.

Mr. Speaker: We will defer the Question, maybe for two weeks? Do you require more time?

Dr. Mwiria: Mr. Speaker, Sir, because we have to look for this report and probably consult with the former President, we need two weeks.

(Laughter)

Mr. Billow: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to insinuate that the former President is indeed, helping in the running of this Government?

Dr. Mwiria: Mr. Speaker, Sir, obviously, he is not. He has done us a lot of disservice by not releasing those reports. We just want to get the report from him because that will help us to get its credibility and more importantly, to continue with the tradition which we have started of releasing reports to the public.

(Question deferred)

Mr. Rai: On a point of order, Mr. Speaker, Sir. I would like to know when this Question will be answered.

Mr. Speaker: I have deferred it for two weeks from today. You can calculate two weeks from today.

Hon. Members the remaining Questions are deferred to various days of the week.

(Question deferred)

Question No.373

NON-PAYMENT OF MONETARY COURT
AWARD TO MR. F.G. OTIENO *Question No.070*

COUNTRYWIDE ACCESSIBILITY
TO COMMUNICATION FACILITIES

(Question deferred)

Question No.397

IMPLEMENTATION OF REP PROJECTS
IN WESTERN PROVINCE
(Question deferred)

Question No.393

NUMBER OF LBDA-FUNDED PROJECTS IN BOMET/BURET/KERICHO DISTRICTS

(Question deferred)

Question No.258

MEASURES TO SETTLE KAMASEGA
FARMERS SOCIETY DISPUTES

(Question deferred)

Mr. Speaker: Is the Minister for Trade and Industry here? If he is not, Ms. Karua, you had something to say.

POINT OF ORDER

SEPARATION OF POWERS
BETWEEN THE THREE
ARMS OF GOVERNMENT

The Minister for Justice and Constitutional Affairs (Ms. Karua): On a point of order, Mr. Speaker, Sir. I rise to seek your guidance on a very important matter. We are governed by a constitutional order where there is separation of powers between the Judiciary, the Legislature and the Executive. The events of the last few days are threatening this separation of powers. The Executive has the role to govern and implement while the Legislature has the role of a watchdog, to inquire and audit.

Last week, on 13th June, 2006, the President, pursuant to Cap.102, the Commissions of Inquiry Act appointed a Commission to investigate into the security lapse at the airport. At the same time, two Committees of this House, namely, the Committee on Administration of Justice and Legal Affairs and the Committee on Security and Local Authorities have both set up to make similar or parallel inquiries. This may look like it is in order, but when one looks at Standing Order No.151(iv)(a), part of the mandate of Departmental Committees is:-

"---to investigate, inquire into, report on all matters relating to the mandate, management, activities, administration, operations and Estimates of the assigned Ministries and Departments".

So, principally, Parliament audits the Executive. Parliament itself is not an initiator of investigations that spread out to the public.

Mr. Speaker, Sir, I have written a letter to you which I wish to lay on the Table of the House, outlining the legal issues that arise from this. I will lay it on the Table, so that it is available to the hon. Members who may have something to say on the issue. I am having a problem with the word "investigate". Does it relate to investigations as we understand the police to carry out investigations or can it go beyond the actions of the Executive to the general public, for instance?

You will recall that when the Public Accounts Committee tabled its report on the Anglo Leasing Contracts, its final recommendations were that the Attorney-General should take certain actions and the police should also take certain actions. Parliament, in other words, after its investigations into Executive's actions, directs the Executive on what areas to concentrate on because Parliament was never meant to govern. It was meant to legislate and audit. This is a transitional Parliament in the sense that this is the first time that there has been change of Government and there has been such vibrancy which, we as the Government, appreciate, but

should not threaten the separation of powers.

I am urging you to look at Section 30 of the Constitution which states that the principal mandate of Parliament is to legislate. Therefore, whatever else is done under the Standing Orders cannot override the constitutional order. If you look at Section 23 of the Constitution, you will find that the Executive authority of the Republic is vested in the President. Section 23(ii) allows Parliament to make laws; to vest the Executive authority in other people, which we have not done. Can we, at this time, set up a parallel Committee to investigate or should these two Committees wait for the six weeks, audit the action of the Government, poke holes into the Commission's report and then carry out their mandate?

Mr. Speaker, Sir, these are fundamental questions. I do not envy you in your task, but you are called upon to make a ruling, so that we do not distort the constitutional order. I had sought the opinion of the Attorney-General and I also want to table it before the House, so that it is also available to the hon. Members, so that people with adequate responses on these issues can raise them. This is the first time in the history of our Parliament that these serious issues are arising and they need serious legal consideration.

We have advised our officers in the meantime to avail themselves according to their schedule of duties but---

Mr. Speaker: Hon. Ms. Karua, remember that I have other business!

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Speaker, Sir, I am just winding up. I am saying that it is causing a dilemma even to the witnesses. To whom do they go to first? Let us clarify whether Parliament is purporting to govern this country and to take over the mandate of the Executive.

Mr. Speaker, Sir, I will need your direction.

*(Ms. Karua laid the letter
on the Table)*

Mr. Speaker: Order, hon. Members! This is again a very unique case indeed. The hon. Member has, in fact, tabled a letter which is addressed to me. It has never happened before and I do not think it should ever happen. I think hon. Members should choose one or two things. If you want to address a letter to the Speaker, let it be a letter to the Speaker. You do not come and table it because it is not addressed to the House or any other supporting group. So, I want to advise the House that I do not think it has ever happened in this House before that the Speaker has been addressed in the manner in which he has been addressed now. So, it is quite interesting.

Anyway, I have not had the occasion of going through the letter but I will also go through the HANSARD to hear what the hon. Member is complaining about and communicate to this House what my feelings are. Suffice it to say, for now, that you as hon. Members of the House, you are the creators of committees and not me. You bestow powers on committees and not me. How those powers are used probably is what is being asked of me but I think it would have even been better, in my view, a better approach would have been for the Minister and the relevant committees to hold consultations before this matter comes before the House. I am sure that would have probably sorted out some of these things. In the meantime, I am now seized with the matter and I will deal with it appropriately. However, I want to say from here that, please do not table letters addressed to the Speaker, otherwise next time I will also table here what you have addressed to me.

(Laughter)

Now, what is confidential between the hon. Members and the Chair? I think there is nothing wrong with bringing to the knowledge of the House what you have done but I think we

should not create a bad procedure of addressing one another on the Table-of-the-House. So, that applies to everybody. In fact, not only to the Minister but to all hon. Members. Do not address the Speaker through the Table or the Floor of the House.

(Applause)

MINISTERIAL STATEMENT

CLOSURE OF UCHUMI SUPERMARKETS LIMITED

The Minister for Trade and Industry (Dr. Kituyi): Mr. Speaker, Sir, last Thursday, you obliged me to come back to this House with the progress report this week about the goings on at Uchumi Supermarkets Limited. I wish in the remaining few minutes to update the august Assembly on what has happened since last week.

Mr. Speaker, Sir, on 13th June, 2006, I made a Ministerial Statement which detailed the circumstances which led to the collapse of Uchumi Supermarkets Limited. I announced that a high-level Inter-Ministerial Task Force had been put in place to determine the circumstances leading to the collapse and to make recommendations on what needed to be done to protect the public interest in the company. I am happy today to present to the House an interim report on this matter.

Mr. Speaker, Sir, initial investigations have identified several anomalies relating to the recent closure of Uchumi Supermarkets Limited and a firm basis for an independent and high-level investigation into the collapse. I did mention before the House that the creditors to this company did not call for it to be declared insolvent. Indeed, as recently as this year, one of the principal creditors gave it an overdraft facility of Kshs200 million.

Secondly, the task force has established that, hardly 24 hours after the declaration of insolvency, a representative of a certain foreign company visited the Uchumi Supermarkets Limited headquarters on 2nd June with the intention of buying it. What is even more curious and perplexing is that the news was released to the public when the whole nation was celebrating Madaraka Day and already this foreign investor was coming in to buy the company.

Thirdly, the night before the company doors were closed, shares worth Kshs22 million were off-loaded on the stock market. It would be interesting to know who the seller of these shares was and whether this was a case of insider trading. These are grave matters that act as pointers towards an economic crime.

Mr. Speaker, Sir, on the basis of these events, we have already instructed the Kenya Anti-Corruption Commission (KACC) and the Capital Markets Authority (CMA), to play their parts and I wish to table the letters to that effect for both institutions.

(Dr. Kituyi laid the documents on the Table)

Mr. Speaker, Sir, last week I promised this House that while investigating what led to the declaration of insolvency is important, we desire to prime our energies on how to salvage the company from total demise.

Mr. Speaker, Sir, indeed, on Thursday last week, the Cabinet directed the Minister for Trade and Industry to explore all possible means to protect the interests of the workers and shareholders including any viable rescue plan. This has been the primary focus of the task force in the period since then. The efforts have centred on bringing back the confidence of the shareholders and the public with the aim of reassuring them that the Government takes the matter seriously and

is committed to finding a mechanism through which their interests will be protected. In this connection, I am happy to report to this House that the task force has held several---

Mr. Speaker: Dr. Kituyi, you have one minute!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Speaker, Sir, I wish to announce that we have come up with a proposal of a rescue plan which is agreeable to all the stakeholders; from suppliers, landlords, workers, shareholders and creditors and it is my feeling that subject to confirmation by the Cabinet this week, it should be possible for some of the branches to be already open within a week.

(Applause)

Mr. Speaker, Sir, I wish to finish by making the following statement: That while we are encouraged by this enthusiasm, there are some companies which are fighting the revival of Uchumi Supermarkets Limited. I have received letters from Tesco Corporation and a second letter from the Managing Director of Nakumatt Limited which are insulting to me. The Managing Director of Nakumatt Limited is writing to me asking that if I have so much money available, I donate Kshs2 billion to Nakumatt Limited as well.

Hon. Members: Shame! Shame!

The Minister for Trade and Industry (Dr. Kituyi): Mr. Speaker, Sir, since there is no time, I just want to say the following: Nakumatt Limited has not been playing by fair rules and I want to request the Attorney-General of this country to investigate why, four years ago, the courts barred the Kenya Bureau of Standards (KEBS) and Weights and Measures from inspecting the merchandise being sold by Nakumatt Limited.

Up to now, this Government cannot guarantee on the quality of the products being consumed through Nakumatt Limited. They should be the last ones to start making cynical remarks about the attempts to revive a national brand.

Thank you very much, Mr. Speaker, Sir.

(Applause)

Mr. Speaker: Next Order!

PROCEDURAL MOTION

LIMITATION OF DEBATE ON ANNUAL ESTIMATES

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, I beg to move the following Procedural Motion:-

THAT, the following limitations shall be applied to the Business of the Annual Estimates:-

(i) Each speech in the debate on the Financial Statement on the Annual Estimates shall be limited to ten minutes, excluding the Mover's speech and reply, which shall not be limited; and the Official Leader of the Opposition or designated official spokesperson who shall be limited to thirty minutes.

(ii) On the Motion "That Mr. Speaker do now leave the Chair" to enable Ministers to initiate debate on policy, the Mover shall be limited to a total of one hour; half an

hour for moving and half an hour for replying to the debate; thirty minutes for the Leader of the Official Opposition or a designated official spokesperson; and that each other Member speaking shall be limited to ten minutes; provided that one hour before the Question of the Vote is put, the House shall go into Committee and the Chairman shall put every question necessary to dispose of the Vote.

(iii) Each speech in the Committee of Ways and Means and the Committee of Supply shall be limited to ten minutes.

Mr. Speaker, Sir, I beg to move.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Speaker, Sir, I beg to second.

(Question proposed)

*(Mr. Wanjala and Dr. Kibunguchy
laughed loudly)*

Mr. Speaker: Order, hon. Members! Who is that laughing? This is not a laughing matter! Will you, please, hold your laughter during the duration of my address to the House? I will repeat. See the kind of time you are wasting!

(Question put and agreed to)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW
LEAVE THE CHAIR

*(The Minister for Finance
on 15.6.2006)*

*(Resumption of Debate interrupted
on 15.6.2006)*

(First Day of Budget Debate)

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, I want to start by congratulating the Minister for Finance for the excellent way in which he presented his Budget. He used very simple language that attracted many of us to listen and understand the Budget. To prove this, later that evening when I was watching television, I saw that there were fewer hon. Members who took time to sleep. That indicated that, indeed, they were all interested in what the Minister was saying and the way he presented his Estimates.

This Budget has put a great deal of emphasis on the growth of the economy. We all know that in the last 12 months, it has grown by 5.8 per cent. If we implement all the proposals by the Minister, we expect our economy to grow by close to 7 per cent.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, the Minister recognised the fact that this country has 72 per cent of its population being the young people. This is what most of our previous governments failed to recognise. He looked at the role which the youth can play in order to bring about, not only strong revival of the economy, but continued growth. In trying to make the youth self-reliant, the Minister has established a Youth Fund of Kshs1 billion. This money will be utilised by the youth so that, they will not only be self-reliant, but also participate in the growth of the economy. I know that we are now in the process of working out modalities of how this money will be administered and utilised.

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

[Mr. Speaker resumed the Chair]

I know the Minister will be bringing the Micro-Finance Bill before this House. The sooner it is brought and enacted the better for our country. In that Bill, there will be guidelines as to how a fund such as this one can be utilised.

Mr. Speaker, Sir, I would like to suggest very strongly that we work with micro-credit organisations on the lines of K-Rep Bank. This is a period when we can now strengthen K-Rep type of banks and establish village banks. There are already areas where village banks have been introduced with little money. Women and youth groups can now access credit of between Kshs5,000 and Kshs20,000. These village banks are now helping people, particularly in the rural areas, to be self-reliant.

Of course, the most important thing is that when we start administering this money through a structured village bank, the proposals that need to be funded must be viable. It is important that we have economists who will very critically examine all the proposals by the youth to ensure that the money they will be given does not turn out to be a gift. This will be a revolving fund. We expect our youth to pay back so that others can also benefit from it.

Mr. Speaker, Sir, it is very important that we use this Fund to stop migration of youth into towns that has been going on for many years thereby creating social problems and bringing about the breakdown of family values and African culture. It is also important that we use this money in harmony with the Constituencies Development Fund (CDF). If we work and administer this money properly, we will find that the youths who are benefiting can then even become suppliers to the projects that are being financed through the CDF.

In recognition of the youth's contribution to our economy, the Minister has allocated money that will be used to revive the polytechnics. These polytechnics are important. In the first instance, the polytechnics must have suitable and good buildings. They must have adequate equipment. They must also offer relevant skills that can be marketed and utilised in the country today; to try and enhance the economy.

Mr. Speaker, Sir, the polytechnics should not only end up with good buildings and good equipment. It is necessary, at this stage, that we must have good technical instructors who will instruct the youth properly in the relevant skills. There must be people who will instruct the youth into entrepreneurship.

Mr. Speaker, Sir, it is also important that the youth polytechnics must be well-managed. In

other words, we must remove the stigma that was attached to polytechnics in the past; that polytechnics were for those who had failed to either get into high schools or to go any further.

I am also happy to see the policy that the Minister has continued with; of reducing inflation. When inflation is reduced, then the economy grows. I am happy to see that he has contained the interest rates. We hope that this will be maintained. He needs to look at the exorbitant charges that the banks continue to inflict on our people. I think it is extremely wrong for banks to expect a borrower to pay back four or five times what they borrowed. In this respect, many poor Kenyans have had to lose the properties they purchased despite the fact that they had paid a colossal amount of money towards the properties.

Mr. Speaker, Sir, in continuation of the growth of the economy, the Minister has seen it fit to cut a lot of costs. He has done the right thing by starting with hon. Members. It has always been stated that leaders must lead from the front. When hon. Members are requested to pay taxes on their earnings, this is the right thing.

I would like to appeal to my colleagues to expedite the formation of the committee to look at the regulations that precluded hon. Members from paying taxes so that, that can be repealed and hon. Members can start paying taxes on what they earn.

Similarly, I want to thank the Minister for coming up with the policy of cutting costs by reducing the number of vehicles used by Ministers and Assistant Ministers. I do not think that there is going to be any difficulty in both Ministers and Assistant Ministers conducting their official business.

I want to thank the Minister for giving tax relief to those who give donations to charities. Over the last 20 or more years, almost every year, I have urged Ministers for Finance to give tax relief to those who are giving donations to charities. I have been involved in very many charities and I have known that there would be more people willing to donate to charities if they know that those donations will be tax exempt. This is long overdue. In fact, it should have come a long time ago in a nation that is known for fundraising, *Harambee*, and giving out to the disadvantaged. I would like to urge my colleague, the Minister, that he should also extend this duty waiver for equipment and other materials that may be imported specifically to help charities.

Another good thing the Minister has done is to increase the fuel levy. I know that there is an outcry already that this is going to affect a lot of people, particularly the poor; and that it is going to cause the public service vehicles to increase fares. However, every good thing requires sacrifice. This is a time that we need to sacrifice so that we can raise sufficient funds that can then be used to repair our dilapidated roads and construct good roads for this country.

Mr. Speaker, Sir, in order to build good roads, we need, in the first instance, to use tarmac. Earlier on, it was stated by the Ministry of Roads and Public Works that to build a kilometre of tarmac road, it costs up to Kshs60 million. This is outrageous! This is something that we have to look at as a Government so that we can reduce it to reasonable levels. If we spent Kshs20 million for a kilometre, it would be more reasonable while Kshs30 million would be probably the maximum. I say this knowing that there are certain areas where more work needs to be done in order to stabilise roads and put on tarmac. However, overall, it should not be more than Kshs20 million or Kshs30 million per kilometre at the maximum.

We need to repair and construct our roads. First of all, the major roads, like the road from Mombasa to the border of Uganda and the road from Isebania right up to the North Eastern Province criss-crossing the country, are absolutely essential. They must be tarmacked immediately. The second phase is to correct the imbalances that are existing at the moment. There are certain areas where there are too many tarmac roads while other areas have no tarmac roads at all. We need equitable distribution of the tarmac road network. We know that a good infrastructure improves the economy of the country. We also know that, without good infrastructure, no matter

how hard we work, the economy will grow very slowly because bad roads make the cost of production of various things very expensive.

So, in planning we must remember that every part of Kenya is important to us. But, currently, we should have discriminatory plans in favour of North Eastern Province, which, at the moment, lacks good roads. We should also target other parts of ASAL areas.

Mr. Speaker, Sir, the zero-rating of computers is another step taken by Minister to improve our economy. Today, there is no business that can really succeed unless it is computerised. For instance, I know that in the near future nobody will be employed, even as a messenger, unless they are computer literate. We would like to ensure that our schools, including primary schools, have computers and teach computer lessons. In that way, when our students complete their education, they will be able to use computers without any difficulties.

I would like to also thank the Minister for increasing the allocation to the CDF from Kshs7 billion to Kshs10 billion. In the very short time this Fund has been in existence, we have seen great changes in our rural areas. For instance, in a constituency like Funyula, where the population is only 90,000, Kshs40 million allocated to it through the CDF per year can do a lot of things. There will be Kshs40 million circulating among 90,000 people. This is a great step forward, and will help in reducing poverty and creating employment and wealth. The only thing we ourselves need to look at is---

Mr. Speaker: One minute, Mr. Vice-President. Order, hon. Members.

I now notice that the hon. Member for Kabete is around. Taking into account the issues that were raised earlier on by the hon. Minister for Justice and Constitutional Affairs, I should be very grateful to hon. Muite, and his team, if they could give me a written response to the representations made to me by the Minister. Please, do that. I have asked the Clerk of the National Assembly to give you the Attorney-General's opinion, to which the Minister has alerted me. I would like to have a written response.

Mr. Muite: That is okay, Mr. Speaker, Sir.

Mr. Osundwa: On a point of order, Mr. Speaker, Sir. Is it possible for any other hon. Member, who does not belong to the two Committees, to give a response to the matter raised by the Minister?

Mr. Speaker: Oh, yes! I will be happy to collect all your wisdom.

Proceed, Mr. Vice-President.

The Vice-president and Minister for Home Affairs (Mr. Awori): Thank you, Mr. Speaker, Speaker. I was talking about the CDF and I said that from it money flows to the rural areas. When we were constructing a health centre in Funyula, we bought cement, timber and steel. We were charged 16 per cent VAT. Now, that cement had already had VAT paid on it. So, it was double taxation and I would like to request the Minister to look into it. It reduces the amount of money available to the constituency to carry out projects.

The second thing I would like to say with regard to the CDF is the insistence by the District Development Officers (DDOs) that in constructions we should use the Ministry of Roads and Public Works. This does not augur well for us, because the Ministry of Roads and Public Works insists on bills of quantities, which inflate construction costs considerably.

In my own constituency, I constructed a school with Kshs3.5 million, without going through the Ministry of Roads and Public Works. Recently, when we built a library comprising of just one large room, bills of quantities inflated its cost to Kshs3.5 million. This a most ridiculous thing. I do not intend to use the Ministry of Roads and Public Works guidelines in any of my CDF projects.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, I know that there is money given to improve agriculture. I would like to see much more money allocated to the revival of the cotton industry. We have not benefited from the African Growth and Opportunity Act (AGOA) other than by having a few people employed in some factories. The reason is that all the cotton that we require is imported from Tanzania, China and other places. Considering that the people who are manufacturing in bond are not necessarily Kenyans, we have had very little advantage from AGOA.

I suggest that we take very serious steps to revive cotton production. We do not need any experiment or research. We know that cotton grows extremely well in various places. Some of us got education because of cotton growing in our areas. What do we need to revive the cotton industry? If you look at the cotton growing zones, you will see that what is required is to upgrade the way we prepare our land and plant this crop. To do this, we need agricultural equipment. There should be a special fund from which to avail agricultural equipment, so that the people in our cotton growing areas can improve cotton production and also increase acreage on cotton.

At one stage, a small place like Busia District produced 60,000 bales of cotton per year. It is very disheartening to note that the whole of Kenya last year produced not more than 30,000 bales. We can produce up to a million bales, which will help us not only to revive our textile factories but also to export cotton.

I would like to congratulate the Minister for having given serious attention to the youth. More money is required to strengthen the informal, or *Jua Kali*, sector. The level of employment went up by 480,000 jobs last year. Of this number 440,000 jobs were in the *jua kali* sector and only 40,000 jobs were in the formal sector. What is required now is to build proper *Jua Kali* workshops but not sheds. In these workshops, we must upgrade the skills of the *Jua Kali* artisans. We should give them entrepreneurship skills, so that they know how to buy raw materials and how to cost their labour. We should teach them how to market their products. We want to reverse the trend of importing goods from Malaysian *Jua Kali* artisans.

It is high time we sold products from the *Jua Kali* sector to the markets in Dubai, the USA, Malaysia and so on. All the proposals contained in this Budget are very good, but the most important thing is implementing them. We have to ensure that every proposal in this Budget is properly implemented for the benefit of all Kenyans.

Mr. Temporary Deputy Speaker, Sir, there are certain areas which have not been addressed at all in this Budget. These areas need to be looked at in the future. Because of the HIV/AIDS pandemic and other illnesses, we now have 1.8 million children who are called Orphans and Vulnerable Children (OVCs). These children are, at the moment, in the hands of either institutions or very old people like grandmothers and grandfathers. A good number of these children can grow up and become useful citizens. In fact, they could grow up and become leaders in this country.

In my Ministry, we have started an experiment which is called Cash Transfer. We started with three districts where we experimented with a few families. All we did was to take one orphan and find a good family for him or her. We gave out, say, Kshs500 to the family to cater for the child. It has worked so well so that the experiment which started with only five districts has now been extended to 15 districts. Given that we have 1.8 million orphans in this country, I would wish to suggest that, in the future, we need to put money in the Budget so that we can, for example, start a seven-year plan where, every year, we finance about 100,000 or 200,000 orphans. This will come to about Kshs1 billion a year. I am sure that this amount of money will give a lot of hope to orphans. Instead of them being sent to grow up in orphans'institutions they will now have a chance

to grow up in homes where there is love and companionship.

Mr. Temporary Deputy Speaker, Sir, with regard to taxation, this is something that needs to be looked at carefully. It has been stated that Kenyans are the most heavily taxed people. We need to look at the rate of taxation so that we can also attract those who try to evade taxation. Let us bring down the rates of taxation, but again widen the net so that more people can pay taxes. That will also work out well given the economies of scale where a large number of people would pay less individually, but eventually the net amount that is collected is a lot. That money will help our economy to grow.

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

The Temporary Deputy Speaker (Mr. M'Mukindia): Hon. Members, you may wish to know that the Official Responder of the Opposition, hon. Billow, has requested to give his response tomorrow. Therefore, I will now give the Floor to hon. Kipchumba.

Mr. Kipchumba: Mr. Temporary Deputy Speaker, Sir, I beg to give my comments on the Budget Speech. I am not in support of the fact that the Minister for Finance increased the Roads Maintenance Levy by Kshs3.20. You are aware that the price of petroleum is, indeed, high. Therefore, increasing it further is making life quite unbearable for Kenyans.

Mr. Temporary Deputy Speaker, Sir, the road licence that every motorist would buy for his vehicle was used to do many things. First, it was very cheap. Secondly, it was a security document. We all know that before you were given a road licence you had to ascertain that, indeed, the vehicle belonged to you. What will happen now? People can now get insurance certificates from anywhere now that they will not be required to prove that the vehicles are theirs. We are all aware that the road licence is a Government document which bears all the necessary security items. I look at it differently that it is unacceptable for us to do away with the road licence. I want to request the Government to rethink the issue of doing away with the road licence.

An additional Kshs3.20 on the Road Maintenance Levy amounts to punishing the common man. The road licence would only be obtained by those people with money. A person who owns a vehicle cannot easily fail to pay Kshs3,000, Kshs6,000 or whatever cost for one year. All our tractors that use diesel and are never driven on our roads will now be required to pay Kshs3.20 extra per every litre of diesel consumed. Why could the Minister not have ensured that, at least, our farmers do not pay that amount of money? I have argued many times in this House that if, indeed, we want to assist the common man in this country--- What is going to happen is that by simply increasing the Roads Maintenance Levy by Kshs3.20, farmers are going to pay a lot of extra money in our constituencies in order to do all their farming activities.

Mr. Temporary Deputy Speaker, Sir, I wish to urge the Minister to rethink seriously about increasing the Roads Maintenance Levy. In fact, I would like to request him to reverse that measure immediately. It is unacceptable in this country because we have been saying that we want to redistribute wealth in our country. How do we redistribute wealth in our country when we are making the life of the common man more unbearable? Everybody uses fuel! I do not know whether there is a formula that the Minister will use to ensure that farmers in my constituency do not pay that extra money. I was very much disappointed. Every other thing in this Budget looked good until the Minister said that the road licence will be scrapped. For a moment I thought that he was giving us some form of relief, but when he said that he was going to recapture that by increasing the Roads Maintenance Levy, I was very disappointed.

Look at it this way. If your vehicle is stolen, it is very easy to locate it when it has a road licence. Anybody can walk to an insurance broker and get an insurance certificate. However, you cannot walk anywhere to get a road licence because one has to produce his or her logbook in order for it to be ascertained that the vehicle is genuinely owned. I, therefore, wish there would have been proper consultation between the Ministry of Finance and the Kenya Police. I am not sure that the

Kenya Police were consulted as much as I am aware that in the past the police have used road licences to get their own personal tax. The overall cost to this country will be enormous. I would like the respective security agents to advise the Government.

Mr. Temporary Deputy Speaker, Sir, the growth rate of our economy of 5.8 per cent is quite good for our country. However, economic growth alone backed by uneven distribution of resources is nothing. While we appreciate that more resources will now go to the rural areas, we must ensure-- Kenya has been ranked as one of the most unequal countries in terms of wealth distribution. I wish the Minister could focus more on this when it comes to taxation.

Mr. Temporary Deputy Speaker, Sir, we must encourage savings. Kenya is one of the few countries in the world with very low savings. Those who have done Economics know that savings are equal to investment. Without savings, we cannot invest. I wonder why the Minister wants to tax allowances given to Members of Parliament. That is a proposal that I will not support. Personally, I will oppose it because my constituents "tax" it back in the constituency. They do so through church and medical harambees. It would be better for me to be taxed by my constituents than by the Government. This is because we are not sure if all that money will find its way to the rightful place. I believe there was a reason to exempt taxation on the allowances paid to hon. Members. We cannot, after 40 years of Independence, tax those allowances. The Kshs50,000 that is given as constituency allowance is only enough for one weekend. We need much more to sustain our activities in the constituencies. I wish the Minister does not play politics in this House. We must be practical; state factual issues and implement them.

Mr. Temporary Deputy Speaker, Sir, I welcome the youth fund. However, it must not be at the expense of the creation of the 500,000 jobs a year as promised by this Government. The youth fund should continue alongside the Government's pledge to create 500,000 jobs every year.

The Government should not only talk about creating these job opportunities in the informal sector. When we ask many Kenyans whether there are job opportunities that have been created in their constituencies, they say: "We are not aware of any." Whilst the Government claims to have created over 400,000 job opportunities, we would like in the same breath, to be told how many jobs have been lost in this country. Many businesses are being shut down. I am yet to be convinced that, indeed, those job opportunities have been created.

I know that in terms of growth, it takes time to feel the benefits. However, we should not just throw figures for the sake of it because we want to do politics.

The statutory allocation for the Kenya Roads Board (KRB) has been reduced from 3 per cent to 2 per cent. The argument for this is that the 1 per cent will be allocated to Nairobi City because it contributes most of the tax. That is an uncalled for argument. If every region says that it contributes more tax it must take the lion's share, then the coastal region should be allocated all the taxes collected in this country because we import all our goods through the Port of Mombasa. Most of us stay in Nairobi, but over the weekends, we go to our constituencies. If that is the case, we contribute a lot of money in terms of Road Maintenance Levy through farming activities. Therefore, we must then be allocated a lot of money. The Minister's argument does not, in my view, hold any sense. The Minister should refrain from making such reckless statements.

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

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to this Budget Speech. I want to start by informing my young colleague who has just left the Floor that the identity of a vehicle is a logbook and not a road licence. So, when he says that the removal of road licences is distorting the identity of vehicles---

Mr. Kipchumba: On a point of information, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. M'Mukindia): Mr. Wetangula, do you wish to be

informed?

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Not at all, Mr. Temporary Deputy Speaker, Sir! I am sufficiently informed.

Mr. Temporary Deputy Speaker, Sir, this was a good Budget. It addressed many issues. In our debate, I think we can enrich it even more. We can get the Minister, when he brings his Finance Bill, to improve the Budget from our contributions.

Mr. Temporary Deputy Speaker, Sir, before I make comments on specific issues, I want through you, to request His Excellency the Vice-President and Leader of Government Business, to make sure that when we are debating a critical issue in this House, our Ministers, especially those from critical Ministries, are present to listen to what hon. Members are saying. This is because, in the current Budget, some Ministries are given money in the basket to do their internal budgeting. Therefore, it is important that they listen to what hon. Members say, because that is the only way we are able to make them act better. That will help this country.

Mr. Temporary Deputy Speaker, Sir, I want to laud the Minister for paying attention to youth programmes. Youth programmes are very critical in this country; whether you are talking of urban or rural youths. They are all in need of income generating activities. I want to suggest that the amount of money put in youth programmes be distributed to constituencies. This is because if we do not do so, some skewed allocation of resources may happen. In distributing this money to constituencies, we should take into account the equity relating to population density and poverty index, so that the whole country has a taste and benefit from these resources that we are giving to the youth.

Equally, regarding the money set aside for education, especially for polytechnics and other tertiary institutions, the Minister said that he would want to see at least one polytechnic per constituency benefits. However, we find that there are some constituencies whose population and needs are much higher than others. So, we might find that we need a formula where some constituencies like mine get more. If Ijara Constituency, for example, is given one polytechnic, I need about five or ten so that we can equalise in terms of population density.

Mr. Temporary Deputy Speaker, Sir, the Constituencies Development Fund (CDF) has been lauded by many hon. Members as a very major innovation. Indeed, this has been recognized by the Minister by stating that money available for the construction of police posts, bursaries and health centres will now be channelled through the CDF committees. Again, we need some formula in doing so. This is because there are needs in certain constituencies that are not equal to others. For example, urban constituencies like the ones in Nairobi are not building new clinics. They already have hospitals, for example, the Kenyatta National Hospital. We need to look at the need assessment of every constituency, especially those in rural areas that need a lot of help. We do not have enough health centres and police posts. But Nairobi is well supplied, yet, if we use the constituency formula in a blanket form, we will find that Starehe Constituency with as many police stations as we all know, is given equal money with Gichugu Constituency which needs police posts. This will not be equal. So, a formula has to be found out on how to balance rural constituencies *vis-a-viz* urban constituencies. This applies also to bursaries and so on.

Mr. Temporary Deputy Speaker, Sir, one of our major problems in this country is infrastructure. Roads in this country remain an eye-sore. They are a problem to economic growth. I think now that we have a Budget that has allocated funds to roads, we hope to see that roads are repaired to enable quick movement of merchandise from Mombasa to our neighbouring countries and other towns in the country.

We also need to quicken the process of tendering in road construction. We still have a problem where the conception of a road project up to its actualisation, is taking up to 30 months. This is not good for the economy. We need a situation where the conception of a road project and

its actualisation should not be longer than six months. I have always wondered when you find the Ministry of Roads and Public Works doing a survey, feasibility, pre-feasibility study on a road that has been there since Independence, before they go to tender. These are things that we already know. We know the width, length and even the traffic capacity of the road. This is something that we need to deal with.

Mr. Temporary Deputy Speaker, Sir, I also want to laud the abolition of road licences. Half the cars on the roads have been spotting forgeries as road licences. Now that the money is going to fuel, all we hope and pray for is that this money will be put to good use.

Mr. Temporary Deputy Speaker, Sir, I want to speak about something that is very close to my heart and the people I represent; Sugar Development Levy (SDL). When SDL was introduced into this country, it was also, in a way, meant to be a deterrent to sugar importers. That is why people who import sugar are also levied 7 per cent of the value of the importation to go to cane development in the country. It is totally unacceptable to those of us who come from the sugar-growing areas to remove SDL from the importers of sugar and pass it down to the farmer. I want to give notice that when the Finance Bill comes here, we are going to move an amendment to remove it.

We have said it here before that sugar-cane is the most taxed crop in this country. Why are we not taxing other crops like tea, coffee or pyrethrum? Why are we targeting the sugar industry; an industry that people of Western and Nyanza provinces live upon? This is something that is totally unacceptable to us and we shall resist it by all means. The Minister must restore the SDL on the crooks and barons that invade sugar industry in this country if we want to keep the production of sugar competitive.

Equally, it is by taxing the importation of sugar that we can be within the WTO rules of protecting the local farmer without offending international trading regimes. I have heard what my colleagues from the sugar-growing areas have said, and I agree with them. I hope the Minister will see the sense and when he brings the Finance Bill, he will pluck out this offending provision on taxation of sugar.

Mr. Temporary Deputy Speaker, Sir, I also want to see the privatisation of National Bank of Kenya, Postal Corporation of Kenya and some other industries, speeded up so that citizens are given an opportunity to own the investments that this country has put in place.

Mr. Temporary Deputy Speaker, Sir, the Minister has also suggested that the construction of schools, hospitals, roads and similar social infrastructure should be Income Tax deductible, provided expenditure is incurred with prior approval of the Minister for Finance. One of the problems we have in any Government is bureaucracy and red tape. We hope that the requirement, prior to initiation of projects, from the Ministry of Finance will not be unreasonably withheld because of bureaucracy. Sometimes, when you get a benefactor to support you in a project and you queue for six months to get prior approval, then you lose the project. We hope this will be done.

With those remarks, I beg to support.

Mr. ole Ntimama: Mr. Temporary Deputy Speaker, Sir, I want to say from the outset that this Budget was cleverly constructed and formulated to pull wool over the eyes of Kenyans; to make them believe that the resources of this country are going to be shared fairly and equitably. This is not so. Let me mention one thing immediately. The Minister proposed that imported wheat is going to be zero-rated. That is going to spell total disaster for the wheat farmers in this country. That is going to throw all the farmers, especially in the Rift Valley, out of business. It is going to destroy the livelihoods of thousands of families who depend on wheat farming.

Mr. Temporary Deputy Speaker, Sir, once you remove duty on wheat, then this country will be flooded with cheap, low grade wheat leaving wheat from our local farmers to rot in stores. That is the truth of the matter. Who are being targeted? It is the Rift Valley farmers! I can tell you that

90 per cent of wheat in this country is grown in the Rift Valley; most of it in Narok and Eldoret. It is not a matter of making the Member for Narok North or the Member for Eldoret North aggrieved. But it is the whole of the people of the Rift Valley. It is a total disaster.

Mr. Temporary Deputy Speaker, Sir, I strongly support hon. Wetangula on the sugar issue. Why do we not develop the local farmer? Why do we not make the local farmer able to produce wheat? We have the land, the know-how and everything. It is a disaster when you give licences to gladiators who will import low grade wheat and then sell to the Kenyan consumers at very exorbitant prices to make a kill. Who is going to suffer here again? It is the Kenyan consumers.

The Minister says he has lowered the price of wheat flour. How do you do that, when this wheat will be sold at exorbitant prices? You do not! You are passing the whole thing again to the Kenyan consumer, and yet, you are bringing low grade wheat and leaving good wheat in the farmers' stores to rot. It is a disaster for the Government. How can this Government claim to be looking after the farmers of this country? That side of the House keeps saying that agriculture is the mainstay of the economy of this country. What do you do when you kill agriculture? What do you do when you mess up the sugar and wheat industries? It makes it worse. But of course, fuel price has gone up again. How do we prepare to plant wheat when fuel prices are so high? The Minister should lower duty on agricultural implements, for example, fertilizers and tractors to enable the large-scale farmer to produce for this country. It is a total disaster that the price of fertilizer is still very high. What is the wheat farmer going to do? Fuel prices are up, fertilizer prices are high and yet we give those gladiators the licence to import wheat and destroy us. Are we supporting the Kenyan farmer or are we really supporting the Canadian and American farmers? We are definitely supporting the Canadian and American farmers! We must come out clearly to say that we want to marginalize and really kill the initiative of the Kenyan farmer. It is true! That is what it is all about.

Mr. Temporary Deputy Speaker, Sir, who is actually going to be given these licences? I am glad that my friend, hon. Wetangula is here, because last time, imported sugar was given to the business associates of the *mamlukis*! That is going to happen to our wheat!

(Applause)

If the licences are going to be given to those dubious individuals who have been milking this country and really destroying and plundering us to the bones, the Minister must repeal this zero-rating affair of wheat. If he does not, I am going to join my other friends to put a lot of pressure on the Government to do that.

Mr. Temporary Deputy Speaker, Sir, the following is a very interesting part. On the other side of the profit and loss account, I heard the Minister say that they are going to shift massive resources to the development of coffee and tea. Does it mean that this Government is supporting some regions in economic development while marginalizing other areas so as to make them poor?

(Applause)

We must be very careful so that we do not divide this country into certain regions where some people are said to be citizens and some others are said to be subjects of the State. Everybody is a citizen of the State and this country. It is very evident that the Minister wants to divide this country by creating economic balkanization and to make other areas poor and others rich. That is a fact! We are going to resist that move because we have finished white colonialism and we are not going to have African colonialism in this country.

Mr. Temporary Deputy Speaker, Sir, I want to say very clearly that, if the Government will continue like this, it might not continue to command any legitimacy in some of the areas like in the

Rift Valley. They have shown us very clearly that we are being targeted directly. The zero-rating of wheat is targeting the Rift Valley Province! How do you remove duty on wheat and leave us without anything at all? We must be careful not to create economic balkanization because we are being targeted on this issue. The Minister must repeal the zero-rating of wheat. This is a very, very serious matter. This is economic marginalization, economic deprivation and political strangulation of the people of the Rift Valley. It is a fact! I do not have much time but I am going to say that this issue of wheat has been very highly publicized.

Mr. Temporary Deputy Speaker, Sir, the growth rate of the economy by 5.8 per cent is not compatible with reality on the ground because poverty levels are astronomically high. Social indicators reveal that those people living below the poverty line are about 64 per cent. If you go to the outlying districts, the figure is about 84 per cent. The growth rate is, therefore, incompatible and inconsistent with the reality and the Government has been publicizing it, but it is not true. Maybe the people they are supporting are the rich.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Motion. I am saddened by what I have just heard, and it suggests that there is a basic lack of understanding of the term "zero-rating". As hon. Members, we should seek to be informed so that as we make our contributions, we do not make inflammatory and incorrect statements that can cause people to think that the Government is marginalizing them.

Mr. Temporary Deputy Speaker, Sir, I thought that any person representing a constituency where wheat is grown would be joyous about the zero-rating of wheat. But to be happy about it, you have to understand what it means for a crop to be zero-rated. I have been taking lessons because I did not understand the concept before. Zero-rating means that the crop will no longer be subject to any taxation. It is not that it had any taxes surrounding it, but the packaging materials and the electricity the miller uses were all taxable and the cost is normally passed on to the consumer. Zero-rating means that the petrol, diesel or electricity used to mill the wheat, the packaging materials or any other input is tax deductible and the miller will be able to claim that refund from the tax. It does not mean that if Egypt is exporting wheat into Kenya, they will not be taxed. Import Duty still remains. Zero-rating is a protection for the local farmers and manufacturers. Other crops were zero rated last year and the zero-rating of wheat is expected to make that packet of flour cheaper for the consumer. How then can that marginalize the people?

Mr. Temporary Deputy Speaker, Sir, let us seek to be informed as we contribute. I have to confess that I have had to take lessons about zero-rating, and I think it is important that we understand these terminologies so that we do not start to complain where there is no need to complain and where something is for our benefit.

I have heard complaints about the fuel levy where the road licences for vehicles have been abolished and a levy has been introduced on petrol to enable us to repair our dilapidated infrastructure and build new roads. We cannot have our cake and eat it. If we need to develop our infrastructure, can we have suggestions on who else we would have taxed other than motorists? It is a fact that motorists are using more money to maintain their vehicles because of driving on un-motorable roads. Better roads mean that we will spend less money on maintenance and an easier time for the motorists. It means an easier time for motorists and those who use public vehicles, because the cost of running a public service vehicle is always passed on to the consumer. When we cry about this levy, which will help us to raise Kshs5 billion, which will be added on to the money for maintenance and building of new roads, how then can we ask for better infrastructure? We cannot have our cake and eat it. The money for developing Kenya will come from Kenyans.

We have to have taxation measures to support the development work that we are doing. The question is whom to target. I do not think that the introduction of this levy is against the

common person. After all, when the roads are bad, the motorists and those who own public service vehicles ultimately pass on that cost to the very consumer, who may be even unable to get to the market or to the dispensary or to his place of work. I think we should take a little bit more time on interrogating and understanding the Budget so that we can make meaningful contribution which then the Minister can respond to, and act on in another year when doing his taxation measures.

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

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

Mr. Temporary Deputy Speaker, Sir, this Government has pledged to accelerate development in all areas and has tried affirmative action measures. Even the Constituencies Development Fund (CDF) money is distributed on the basis of the poverty index. Areas that are less developed get more money than the rest. This is the first time in the history of our country where there is a measure, even though it may be inadequate, of affirmative action.

I have heard people who have been in Government previously not appreciating the fact that for the first time in our history, there is affirmative action to accelerate development in all areas. For the first time, there is money going to every constituency through the CDF. The ball is in the court of parliamentarians and their CDF committees back in their constituencies to effectively use this money and make sure that there is development over and above what the Ministries of the Government will do. Let us not pass the buck even where the buck is stopping with us.

Mr. Temporary Deputy Speaker, Sir, on the Sugar Levy Fund, it is quite clear; we debated the Sugar Act in this House. This levy was supposed to come from the farmers of sugar themselves, because it is a levy meant for the development of the sugar industry. How else can you expect that it is the consumers of sugar who will develop the industry? It is the same theory with the Coffee Fund. Coffee farmers have to be taxed a contribution towards the Coffee Fund to develop their industry. It is the same with tea, where farmers pay a levy which then goes to the Kenya Tea Development Agency (KTDA) and the Kenya Tea Board.

Let us not have double standards. Let us not forget our own records of the HANSARD. The Sugar Levy Fund was never intended for the consumer. It was meant for the sugar farmer. It is a negligible levy that would not adversely affect the farmer while providing necessary funds to develop the industry. The only thing I would advocate for is that, those who import sugar should be taxed heavily and that money should also go to the Sugar Levy Fund to augment the funding of sugar farmers.

Let us make suggestions that will be helpful not only to our farmers but also to our economy. Those who are not in Government at the moment should remember that tomorrow they will be in Government. When they are in Government, they will need funds to run this country. Countries cannot be run on political statements. You have to raise revenue. Therefore, let us make responsible suggestions which can help us to move forward.

Mr. Temporary Deputy Speaker, Sir, I appreciate the creation of the Youth Fund and the support being given to our youth polytechnics. We need them. After secondary education, not everybody is able to continue to university. Not everybody goes to secondary school. They need skills to be able to cope up in life. This Fund should be utilised to the optimum to ensure that we give the youth an opportunity.

The 500,000 jobs pledged by the NARC Government are to come from both the public and the private sectors. When the agricultural sector is improved, there are jobs created in the farming

industry as well as in the food processing plants. All those are jobs created. It is not realistic to expect that it is the public workforce that was meant to bring up 500,000 jobs annually. We are doing the best we can to meet that goal.

Mr. Temporary Deputy Speaker, Sir, turning to taxation measures, the Minister's decision to tax our house and entertainment allowances is noble. Those are the only two allowances targeted, apart from the tax that we are already paying. Let us not choose to be different from other Kenyans. Even though some of us are saying that their money is already taxed by the constituents, this is a central fund coming to the Exchequer, which will find its way to your constituencies through the CDF and other services.

Those who are doubting that the Government will circulate this money, should note that it is the taxpayers' money that is circulated until it reaches their pockets as Members of Parliament. We are paid by the taxpayers. It is taxpayers' money that is circulated until it reaches our constituencies through the CDF. Let us not have double speak where it relates to us as parliamentarians. Let us submit ourselves to taxation. Let us also contribute to the building of the nation. I hope that we will all support the speedy enactment of legislation that will help us to make a modest contribution to the funds we badly require to develop this country.

Mr. Temporary Deputy Speaker, Sir, I want to laud the affirmative action on budgetary allocation for water for ASAL areas. In many areas, it has already made a difference. If we go on allocating the Kshs1.5 billion for the next three or four years, the effect will be phenomenal. That is the way forward.

With those many remarks, I beg to support.

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

I would like to start by saying that this is a very innovative Budget. There are lots of good ideas in the Budget. The problem is that the implementation and enforcement of this Budget will not take us where we want to be. I like the idea of creating the Drought Contingency Fund. Initially, we used to have drought every ten years. With time, that period changed to every four years and, lately, every two years. I am afraid that drought may be an annual event in this country.

Therefore, the idea of creating the Drought Contingency Fund is most welcome. I hope that all the stakeholders and the "stick holders" will be involved in working out a strategy of facing drought before it arrives. The only problem is, of course, the small amount of money put aside by the Minister for this purpose. The Kshs500 million is, really a drop in the ocean. Perhaps, what will be required would be some form of taxation to increase the allocation to this Fund. I am aware that this is a kitty that will be contributed to by other stakeholders, including the donors.

Mr. Temporary Deputy Speaker, Sir, another good thing about this Budget is the re-opening of the Kenya Meat Commission (KMC). Those of us from livestock keeping areas hail this initiative, although we have been hearing the Minister for Livestock and Fisheries talk about reopening the KMC over the last three years. The KMC is being opened with an initial capital of Kshs200 million. With that small working capital, if 200 cattle will be slaughtered everyday, it means that the Minister intends to open the KMC for only one month and then close it. The Kshs200 million allocated for KMC is not adequate.

Although we lost 70 per cent of livestock in the last drought, in certain areas, the animals managed to survive. I can assure this House that we have adequate livestock in Samburu District. We are ready, at any moment, to sell 20,000 herd of cattle and still have a balance. That explains the problem we have with our neighbours who have been stealing cattle from us everyday for the last three months, including last night. If we can have an opportunity to sell our cattle, we will put the money that will be realised into other forms of investment.

Mr. Temporary Deputy Speaker, Sir, we plan to diversify our economy away from livestock

because we are also losing lives in the process. In my constituency alone, we have lost 8,000 head of cattle to cattle rustling over the last four months. At the rate of Kshs10,000 per cow, that translates to about Kshs80 million. So, if you put this into perspective, you will realise that the Kshs200 million that has been allocated to the KMC for operations is inadequate. Therefore, I urge the Minister to increase this amount.

The other point I wanted to talk about concerns the Minister's plan to meet the deficit. The deficit of Kshs57 billion that was mentioned in the Budget is huge. If you consider other figures which have not yet been mentioned, the deficit could go up to Kshs175 billion. The Minister gave us a programme for meeting the deficit. The programme includes privatisation of public institutions like the TELKOM, Kenya Ports Authority (KPA), National Bank of Kenya (NBK) and the Kenya Reinsurance Corporation. We have talked about privatisation for the last ten years. Privatisation requires Bills being presented and passed in this House. However, the speed at which we conduct our business, owing to our own internal bureaucracies, I do not think we can privatise all those companies so as to provide money to the Government to meet the deficit. That is a problem the Minister has to address.

Regarding the use of public vehicles, it is an issue which used to be discussed by the previous Government. The previous Government wanted to implement a system where one could take a vehicle---

(Loud consultations)

Mr. Lesrima: Mr. Temporary Deputy Speaker, Sir, protect me from the Cabinet Members. They are not interested in my contribution.

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to say that the Cabinet is not interested in the contribution he is making while I am here representing the Ministry of Finance? I am seated alone paying attention to no one else, but hon. Lesrima.

Mr. Lesrima: Thank you, Mr. Temporary Deputy Speaker, Sir. I am glad that the Assistant Minister is taking notes. I would like to say that on the issue of Government vehicles, the Minister came up with a proposal to provide only one vehicle to each Minister and one to each Permanent Secretary. From my own experience, I do not think that will be workable. The whole system should have been phased out. I think the system will increase inefficiency and bureaucracy, and the amount of money we will be saving, Kshs1.3 billion, is not really worth the expenditure that would result to Kshs4.5 billion. I do not see why we should spend Kshs4.5 billion to give Permanent Secretaries, Ministers and senior Government officials money to buy vehicles and give them 72 months to repay the loans. How many Permanent Secretaries will last in office for the next 72 months to repay the loans? The Government has only 20 months to go. That is not realistic and it is not economical. The Minister should have a phase-out programme on the use of Government vehicles.

The issue of the Youth Fund is a most welcome programme. Unfortunately, the Minister for Finance will not be the one to implement it. If you divide the money that is provided, each constituency would get Kshs5 million. I want to support the suggestion by hon. Wetangula, that we divide the money equally among all constituencies. The constituencies should decide and determine how they will spend their Kshs5 million. There must be wide consultations regarding how the money will be spent so that the fund does not turn out to be another "YK 92" fund for the 2007 general election.

We support the idea that women will be supported through the micro-finance institutions. All the funds which are being introduced are welcome but why is the Minister sitting on the Micro

Finance Bill? There is no infrastructure in many---

(Loud consultations)

The Temporary Deputy Speaker (Mr. Khamasi): Order, hon. Members! Please, pay attention to what the hon. Member is saying.

Mr. Lesrima: Mr. Temporary Deputy Speaker, Sir, in many districts, for instance, Samburu District, the only financial institution in place is the Kenya Commercial Bank, which serves the whole of 21,000 kilometres of Maralal. We do not have any other financial institution there. That is why we look forward to the Micro Finance Bill being passed so that we can get financial services.

I would also like to mention the issue of the Constituency Roads Fund. We welcome the increase of Kshs11 million. However, as you know, we do not control that money. It is controlled by the District Roads Engineers. It is about time that the money was combined with the CDF so that local communities can have a say on what roads should be constructed.

The fuel levy is a programme that the Minister introduced so as to get money to repair roads; that is very naive! However, Kshs3.20 increase per litre is rather heavy for Kenyans; a modest increase would have been fair. We were told that in lieu of that, charges for road licences would disappear. We have been paying Kshs3,000 per annum, for an average vehicle. However, the increase in fuel levy, if it were to be applied on road licence, would have been increased up to Kshs18,000 or more. That is an unfair deal for Kenyans. If the Minister had to increase the fuel levy, he should have done so modestly.

It is very sad that the cost of constructing roads is determined by external forces. It was sad to hear the Minister say that the cost of tarmacking one kilometre of road is Kshs60 million. There is a time when I raised a Question regarding the construction of the road that leads to my constituency, Rumuruti to Maralal which is 110 kilometres. I was told that it would cost Kshs2.1 billion. If you work out the arithmetic, it translates to Kshs20 million per kilometre. The road construction would be financed by ADB. We really need to look into that issue.

Finally, I think we should allow the Central Bank Governor to be independent. Asking the President to appoint a chairman is taking away the independence of the Governor.

With those few remarks, I beg to support.

The Assistant Minister for Planning and National Development (Mr. Serut): Mr. Temporary Deputy Speaker, Sir, I want to congratulate the Minister for Finance for presenting a well thought-out Budget, which to me targets the needs assessment of the people of this country. Since Independence, this is the only Budget that has targeted people's needs and should, therefore, be supported by all. Kenyans were overwhelmed after the Budget was presented by the Minister for Finance. If you went to churches and other public places over the weekend, you must have heard people talking well about the Budget. That was so because 70 per cent of our population is made up of the youth. When we talk about the youth, we are referring to people who are below the age of 35 years. The only thing which has remained for us to do in this august House is to come up with a policy framework that will address the disbursement of the Youth Fund. I feel that, in my own thinking, the fund must devolve around the constituencies of this country.

I know that some of my colleagues have already argued that it should be done in consideration to the population factor. However, I differ with them because whatever facilities we will come up with will not be for youths of a particular constituency.

Mr. Temporary Deputy Speaker, Sir, I also want to talk about village polytechnics. The Budget Speech has a figure of Kshs505 million. I want to congratulate the Minister for considering youth polytechnics. That translates to Kshs500,000 per constituency. I want to thank the Minister

for going a step further and defined how those funds will be distributed. I would like to differ with one of my colleagues who has talked before me, and said that certain constituencies require more youth polytechnics. He gave the example of Ijara Constituency, where there are less youths than his constituency. I would like him to know that the polytechnics that we devolve in this country are not a preserve of a particular constituency. The youth have a right to go to any polytechnic in this country, and attain whatever skills they require.

Mr. Temporary Deputy Speaker, Sir, let me deal with an issue that I had even raised a Question on, in this House - use of Government vehicles and other stores. I want to concentrate on motor vehicles. In Mount Elgon District, which is also the constituency that I represent, Government vehicles have been converted into private property. To me, that amounts to misuse of Government stores. I raised a Question in this House as to what limit the officers were supposed to use those vehicles. The vehicles belong to those respective Government institutions where they have been allocated, and not to particular officers. But in Mt. Elgon District, officers use the vehicles as they want. That is wrong! I hope that, by 1st July, 2006, the Government is going to move in with speed and ensure that civil servants report on duty at 8.00 a.m. and that, all motor vehicles in those respective districts, are always used and parked at the respective district headquarters for purposes of serving the respective districts.

Mr. Temporary Deputy Speaker, Sir, let me move on to the issue of improving the management of devolved funds. At this stage, I would like to compare the Constituencies Development Fund (CDF) and Local Authorities Transfer Fund (LATF). If you go to constituencies and districts, the only visible projects are those that are funded through CDF. But the Government has gone ahead and allocated a lot of money to LATF. What mechanism has prompted this Government to increase LATF to 7.2 per cent, when the local authorities cannot even account for the 5.5 per cent that they are given? That is an erroneous increment and the Government must recede that decision and come up with a proper mechanism before it can even think of increasing those funds meant for local authorities.

Mr. Temporary Deputy Speaker, Sir, what is happening in most constituencies is that councillors have decided to prey on that money. They have converted it into salaries and allowances at the expense of the community. That money is supposed to develop the community. So, this House has to make an amendment to the LATF Act for purposes of accountability, if it has to have any meaningful development to the people.

The issue of zero-rating duty on computers is a slap on my face. I come from a district that has been marginalised for the last 43 years. It has never seen electricity. Out of 30 secondary schools, only two have electricity now. Out of 130 primary schools, none has electricity. So, when we talk about Information Communication Technology (ICT) being introduced into this country, I think Mt. Elgon will be left behind. I want to use this forum to urge the Government to apply affirmative action and see to it that all secondary schools in Mt. Elgon get electricity before the end of this year, if they have to benefit from computers that are being provided by the donor community.

There is a plan to take away dispensaries and health centres and police posts from the Ministry of Health and Office of the President, respectively, to CDF. We appreciate that, but the issue is: Are they being off-loaded from the Ministries together with the funding, or is it CDF which is going to fund them? If it is CDF which is going to fund them, then I beg to differ. I think the parent Ministries should take up their responsibility and build health centres and dispensaries, or they off-load them together with their funding. The same thing applies to police posts.

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

Mr. Bahari: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this chance to

make my contribution. First, I want to congratulate the Minister for making an innovative attempt to try and draw up a Budget. Roads is one of the key infrastructures that a country must always address. I am happy that some additional funds have been allocated for road maintenance at the district and constituency levels. Having said that, I would like to mention the fact that, funds have been allocated to constituencies according to population and poverty indices. In the same vein, I would like the Minister to also consider the length of roads in a particular constituency as a factor to determine how much is to be allocated for purposes of road maintenance. That is because all constituencies are not of the same size. My constituency is more or less the same as Central Province, in terms of area and road network. If we are going to say that all constituencies will receive the same amount without any consideration to the lengths of roads, then some of us will continue to be marginalised forever and ever.

Mr. Temporary Deputy Speaker, Sir, I wonder who wants to preside over a Government that grossly and perpetually skews resources towards some areas and forgets others. I have neighbours who benefit a lot from funds meant for roads. In my constituency, a road which is over 200 kilometres is allocated only Kshs120,000. My neighbour is allocated Kshs100 million. Otherwise, overall, I want to say that the allocations have been increased. However, we must improve on how we allocate those funds.

One of the biggest things that this country has to live with, if it does not address this point in time, is the gross inequality between regions, zones and parts of this country. That is a matter that has to be addressed at this particular time. We should not wait and leave that problem to the future generations. We can only address that if we remain objective and make sacrifices.

Mr. Temporary Deputy Speaker, Sir, since Independence, we have been crying about the Isiolo-Moyale and Garissa-Mandera roads. We want to link 60 million people in Ethiopia with Kenya. If anybody wants to see this country turn around, that is where we should be going to. I do not know what is wrong with the Ministry of Finance! They need to look at this matter very seriously. Is the Ministry of Finance addressing short-term issues only? Are we addressing micro-issues only? We must address matters in the right perspective. Our perspective plan must be right. We must be seen to be addressing macro-issues at the Ministry level. If you link up with that population, you are going to revolutionize the economy of this country. Even issues of unemployment that we always talk about will end. We will be searching for people to employ! When we do not have that kind of vision, we keep on chasing small issues like road licences and over-taxing Kenyans. It is common knowledge that Kenyans are one highest taxed citizens in the world. They do not, correspondingly, enjoy high quality services. That is where the problem lies. Instead of doing that, we want to keep on taxing Kenyans more and more.

Mr. Temporary Deputy Speaker, Sir, hon. Members who have spoken before me have addressed that issue adequately. They have said that the increase of the price of fuel by over Kshs3 per litre is unfair at this point in time. That is because of the obvious dominal effect that, that will have on the economy.

Mr. Temporary Deputy Speaker, Sir, I would like to address the issue of inflation. As much as the Minister is looking at inflation at below 5 per cent, I do not see how that will be achieved. He is intending to bridge the budget deficit through sale of parastatals. We know that, that has not been very easy. Therefore, what he will ultimately do to bridge that gap is to borrow from the local market. That will add the inflation pressure at the end of the day.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about a "good business environment" in 2007/2008. That is neither here nor there! We must create a right business environment now, instead of making mere political statements.

Mr. Temporary Deputy Speaker, Sir, where disasters have occurred in the past, the Government response has not been good. I am happy that, at least, something has now been put up

in form of a Disaster Fund. However, we need the Government to closely link up with organisations like the Kenya Red Cross. They have done an excellent job. They need to be supported so that they can provide the best.

Mr. Temporary Deputy Speaker, Sir, I would like to appreciate the fact that, we are addressing issues concerning the youth. The best way to do it is to, first of all, provide them with the necessary skills to earn a living. We hope that, that will also include other incentives, so that the youth can realise the benefit of that funding. We hope that will not be politicised.

I strongly support the move on Government vehicles. We want the Government to implement that without delay. That is the way other countries have gone. I think we better start it off, irrespective of however small it will be. That is something we need to manage properly. This regime has bought the most fancy and expensive vehicles in the market. That needs to be reined in. The time is now!.

Mr. Temporary Deputy Speaker, Sir, we are happy that the Ministry of Health has been left out in the move against Government vehicles. It does not have enough vehicles. Having said that, I would like to note that the quality of services offered by the Ministry of Health have gone down of late. I am happy to note that the Assistant Minister is here. We have complained about that to the highest level. But that is largely because of inadequate personnel at the dispensary and health centre levels. You will realise that most dispensaries in Arid and Semi-Arid Lands (ASALs) are run by one nurse. He or she has to go for his or her salary, leave and attend to other personal problems. You will realise that, most of the time, patients are not attended to and those dispensaries remain closed. In health centres, the standard number of staff is 16 and above. However, in some cases, we only have two or three officers. That is not bringing services closer to the people.

With those few remarks, I beg to support.

The Assistant Minister for Health (Dr. Kibunguchy): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the Budget proposals that were read by the hon. Minister for Finance. I would like to commend the Minister for not factoring in donor funding in this year's Budget. If Kenya was a human being, we could say that it is 43 years old. I think we are old enough to stand on our own two feet. I think it was a bold move by the Minister and his predecessor to stop relying on donor funding. One thing with donor-funding is that, it comes with all kinds of conditionalities. When you look at some of the problems in this country like poverty and unemployment, quite a number of them relate directly to some measures that donors wanted us to implement a decade ago. They wanted us to introduce measures on cost-sharing and down-sizing of staff working for the Government. The hon. Member who has just contributed has complained about lack of health workers. That is one of the direct things that came from donor conditionalities some years back. They said that our public service was bloated.

Mr. Temporary Deputy Speaker, Sir, I am glad to note that for the first time after many years, the Ministry of Health has started to employ more staff. We realised that most of our health facilities are grossly under-manned. I would like to assure the House and the nation that every year, we will employ more workers so that our health facilities are well-manned. In that connection, I would also like to commend the hon. Members from across the divide for having realised and appreciated the fact that health is a very important component of development and channelled a large percentage of their respective Constituency Development Fund (CDF) towards the construction of health facilities.

I would like to say one or two things about the decentralised funds, and they are quite many in this country, such as the CDF, the Local Authorities Transfer Fund (LAFT), the Road Levy and the Constituency Bursary Fund. Firstly, these funds have made a great difference at the grassroots level. The time has come for us, as a nation, to appreciate the fact that these funds would do much more if they were all consolidated into one basket. All these funds should be put into one

constituency basket and from there, we can sit down as leaders in all the constituencies and see how we can best use them once they have reached us. Very often, you will find that there is quite a bit of duplication of what is being done. When constituency committees and county councils sit to prioritise their projects, there is quite a bit of duplication. If all these funds were put into one basket, this would be avoided completely.

Mr. Temporary Deputy Speaker, Sir, we should appreciate the fact that this is going to be the way of life, and we are always going to have funds devolved to the constituencies. The time has come for us not only to devolve funds, but also personnel at the constituency level. I come from a constituency that is virtually a district and it is very easy sometimes to work closely with the District Development Officer (DDO) and the District Accountant and other Government officials. Sometimes I wonder what happens to the districts that have four or five constituencies and yet they have only one DDO and one District Accountant. We need to think seriously and see if these funds will achieve the targets that they are meant to. The time has come for us not only to devolve funds, but also personnel, especially the Provincial Administration and other Government officers, to the level of the constituency rather than to the level of the district.

I would also like to comment on the funds that were set aside for the youth. In the same spirit of us devolving funds to the grassroots, these funds should also be devolved directly to the constituencies. We should divide the Kshs1 billion by 210 constituencies and send the funds directly to the constituencies, so that we, as leaders at that level, shall sit down with our young people and form committees to see which are the best projects or the best channels that this money can be channelled to. I support the proposal to tax the hon. Members' salaries. I also support the proposal to limit the number of vehicles that Ministers, Assistant Ministers and Permanent Secretaries should have.

I would like to spend some time talking about agriculture. I am glad to note that the Minister for Finance has put in quite a bit of money in the Ministry of Agriculture. We must find ways of cushioning our farmers. I would like to see a situation where certain subsidies are given to our farmers for them to produce more. We pride ourselves that Kenya is an agricultural country. In Lugari Constituency, we have small-scale farmers who produce mainly maize. When it comes to the time of selling their produce, all kinds of conniving middlemen come in and buy the maize at a throw-away price. The Government should cushion the farmers. I would like to see a situation where certain price controls are introduced, especially to cushion the small-scale farmers.

Mr. Temporary Deputy Speaker, Sir, I would like to commend the Government for the very successful free primary education programme. I know that many hon. Members have put the bulk of their CDF into the construction of classrooms. In that same vein, I would like to ask the Government to employ more teachers. I would also like to see the concept of free primary education being extended a little further. In my view, the next logical way to go with the free primary education is to introduce free day secondary education. I would like to advocate that the little money we get for bursary, rather than it being given to students who are sometimes not extremely needy, should be pulled together and it goes directly to support secondary education.

Finally, I would like to talk about credit provision. If we are really serious about fighting poverty and tackling the issue of unemployment in this country, we must offer credit to the majority of our people in the rural areas. I was a little disappointed when we said that the Kenya Post Office Savings Bank should give credit to our people and the Minister for Finance opposed that. I would like him to think further because in most places in this country, it is only the Kenya Post Office Savings Bank that is available and it is the only one that can be used as a vehicle for this.

With those few remarks, I beg to support.

Mr. Chepkitony: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me

this opportunity to contribute on the Budget Speech which was read by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, the Budget initially appeared good, with very good measures to improve the economy, but it was spoilt by the introduction of higher taxes particularly on the petroleum products. When the Minister abolished the road licence and in its place introduced a fuel levy of Kshs3.20 per litre, he messed up the whole Budget. Fuel is a very important energy need for any country. It is not only important to motorists but also to the ordinary *mwananchi* because paraffin is widely used all over the country. Its price has gone up by a similar amount or even more and it has affected ordinary Kenyans. Although the economy is said to be improving, the ordinary *mwananchi* has not benefitted from it. This increase of petroleum prices will make the lives of ordinary Kenyans very difficult. We also know that petroleum products are also used to generate electric power. Our tariffs are already very high and with the increase in fuel prices, electricity generating firms will incur higher generation costs which will definitely be passed onto electricity consumers like industries and ordinary *wananchi*. So, an increase in petroleum products is inflationary because it will affect everything, including transport costs. Already transport charges have gone up and the salary increases for civil servants which this Government has proposed will not benefit them because they will be eroded by this inflation which has been brought about by the increase in the prices of petroleum products.

Mr. Temporary Deputy Speaker, Sir, an area where the Minister did well was reducing the wastage of resources in Government departments, including the Cabinet, Assistant Ministers and senior Government officials. He did well to reduce the number of vehicles given to the Government departments. There has been wastage because you find a Minister moving around with three to four chase cars just to reflect his or her power. That type of lifestyle is not conducive to our economic growth since it is wasteful. It is a good decision to reduce the number of Government vehicles so that we can exercise a bit of stringency and utilise our resources in a proper manner.

Agriculture is a very important sector in our economy and the Minister should have been very careful on the measures he took touching on this sector. The Sugar Development Levy which the Minister introduced on sugar-cane will discourage farmers from producing the cane. Already the cost of sugar production is very high and it was very unnecessary to introduce the Sugar Development Levy on sugar-cane. It should have been introduced on the final product which is sugar, inclusive of imported sugar.

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

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

Mr. Temporary Deputy Speaker, Sir, the Minister committed a big mistake by zero-rating wheat. This country has been producing 50 per cent of the country's wheat and when the Minister zero-rated wheat flour and grains, it will provide unfair competition to the local farmers whose production cost is already very high and cannot compete with imported wheat. We need to support our wheat farmers just like other farmers in other agricultural sectors are supported because they all contribute to the economic growth of this country. The Government should not neglect any agricultural sector. When the Minister zero-rates wheat, it will affect the farmers because subsidised wheat will come into the country to compete with local wheat which is produced using taxed inputs like petroleum, agricultural chemicals, high labour and fertiliser costs and so on. So, the Government should not follow the examples of Uganda and Tanzania because they do not

produce any wheat, and so they try to cut down on the costs of bread by reducing taxes on imported wheat. However, here in Kenya we still need to support our wheat farmers to continue producing the 50 per cent of our requirements because that is going to provide employment to our farmers and support our industries.

Mr. Temporary Deputy Speaker, Sir, I would have liked the Minister to have increased the Constituency Development Fund kitty. We have requested that it be increased to 7.5 per cent of the ordinary Government revenue but he has offered a small increase which is not enough, particularly when you consider that we are going to shoulder the burden of the bursary funds which used to come from the Ministry of Education. He mentioned that the Kshs750 million which was being allocated to the Ministry of Education will be transferred to the CDF. This bursary allocation of Kshs750 million still needs to be increased. It should be tripled because with poverty increasing, a lot of parents are unable to pay school fees for their children in secondary schools, colleges and universities. So, I would like to see the CDF kitty increased substantially because that is the only development which Kenyans have recently witnessed.

With those few remarks, I beg to support.

The Assistant Minister for Gender, Sports, Culture and Social Services (Mr. Onyancha): Mr. Temporary Deputy Speaker, Sir, I also wish to support this Motion and congratulate the Minister for Finance for a well-thought-out Budget Speech. We should give due credit to the Government where it is due.

A lot of resources are now being channelled to the Free Primary Education Programme (FPEP) that appeared initially to be a dream to other people. The FPEP is now working. Everyone is in agreement that this is a vital programme that is pushing literacy levels in the country to what was notprecedented. The FPEP needs to be supported. A lot of money needs to be sourced, so that its sustainability is maintained.

Mr. Temporary Deputy Speaker, Sir, as much as we are addressing the FPEP, we should also remember our children in primary schools are now being admitted to secondary schools. This is also putting a lot of pressure on the classes and human resources in terms of the teachers. We need to address these issues very seriously. As much as the Kenya National Union of Teachers (KNUT) is pursuing the Government to implement their salary increment in one phase and pay it in lump sum, I think if there is any saving in terms of money, then it should be channelled to employment of new teachers. We all know that teachers are now overstretched in primary and secondary schools. The Government should address the issue of employment of additional teachers in primary and secondary schools. It is critical that this is done. This aspect of simply replacing those teachers who retire or leave through natural attrition is not the best way to address the shortage of teachers in our schools. I wish to support the Minister for the amounts of money he proposed to channel to the education sector. This is something that other countries are beginning to appreciate, that the Government is really doing very well in terms of support for education in this country.

Mr. Temporary Deputy Speaker, Sir, the other area that we have done very well and we should congratulate the Minister for is increasing the Constituency Development Fund (CDF) money. While programmes supported by the CDF are now seen on the ground, money that is channelled through the LATF programme is not really visible in the grassroots level. The LATF money has been misappropriated. Initially, it was meant to fund various programmes, but now it is addressing the allowances of councillors. This is something that should be looked into so that projects supported by the LATF money are seen in the rural areas, just like the CDF projects.

We have put up many dispensaries. These dispensaries are now complete, but without staff. This is also an area that the Minister for Health, in conjunction with hon. Members, should address so that those dispensaries are utilised. We want staff to operate in those dispensaries so that when

drugs are given, the people on the ground appreciate that the CDF has done something and has brought services closer to them.

Mr. Temporary Deputy Speaker, Sir, I have no problem with taxation of allowances of constitutional office bearers and hon. Members. However, this issue has been talked about as if hon. Members are really never taxed.

It must be emphasised that hon. Members earn salaries that are taxed. What is not taxed are their allowances. However, we have no problem with this proposal and the law should be changed so that allowances for hon. Members are taxed like any other allowances given to other Government officers. We do not have a problem with this proposal because, after all, the Government is raising revenue through taxation. We, as hon. Members, are the ones who pass these taxation measures. This should not be a problem for us to have our allowances taxed.

Mr. Temporary Deputy Speaker, Sir, we want to thank the Minister for allocating funds to the youth. This will go a long way in alleviating unemployment amongst our youth in the whole country. The Government needs to source more funds so that we address unemployment which is now rampant amongst our youth. The best way to do so is to allocate money for our youth so that they can start profit-generating programmes. This will ensure that they survive without necessarily looking for white-collar jobs.

We welcome the proposal by the Minister to channel the youth funds through the constituencies. Having presided over the CDF, we think that hon. Members together with leaders in constituencies, are best qualified to decide on which programmes the youth can undertake. This is a positive attribute for this Government to address the problems facing the youth.

Mr. Temporary Deputy Speaker, Sir, we also welcome the zero-rating of computers. However, we think that something more should be done to ensure that we have electricity in the rural areas. It is one issue to zero-rate computers, and a completely another matter to access these computers so that they are seen to be working within our schools. In my constituency, I have only two schools that are served with electricity. If we zero-rate computers and buy them, yet we cannot make use of them, it is not right. We need to address the issue of electricity alongside the zero-rating of computers.

Mr. Temporary Deputy Speaker, Sir, on the issue of youth polytechnics, we want to congratulate the Minister for allocating funds to one youth polytechnic in each constituency. We need to address this issue much more vigorously so that we can equip our youth with skills that can enable them start income generating programmes to survive on.

Mr. Temporary Deputy Speaker, Sir, we need to address the issue of corruption in this country more significantly, if only as a measure to raise savings, so that we can run the Government efficiently.

*(Mr. Kimeto crossed the Floor without
bowing to the Chair)*

The Assistant Minister for Foreign Affairs (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you see what Mr. Kimeto did? He just stood up and walked right across the Floor to the other side of the House. Is that in order?

*(Mr. Kimeto went to the
Bar and bowed to the Chair)*

The Temporary Deputy Speaker (Mr. Bahari): Order, Mr. Kimeto! Is that what you did? Could you go back and bow at the Bar and get to your seat?

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, I have just bowed to the Chair. I do not know why he still wants me to bow to the Chair. How many times do you need me to do the same thing?

Hon. Members: Respect the Chair! Obey the Chair's ruling!

The Temporary Deputy Speaker (Mr. Bahari): He has already done that; he has complied.

Proceed, Mr. Onyancha!

The Assistant Minister for Gender, Sports, Culture and Social Services (Mr. Onyancha): Sorry, Mr. Temporary Deputy Speaker, Sir, for that interruption.

I was discussing the issue of corruption and how this can be used as a saving measure to raise money to run programmes of the Government. This issue has taken too long for the Government to come to terms to, and a lot of money is being wasted on committees that address it.

Mr. Temporary Deputy Speaker, Sir, the process should be expedited so that we move away from this very quickly and save funds so that we can manage our resources properly.

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

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

Mr. Temporary Deputy Speaker, I have no problem with Government vehicles being reduced as suggested by the Minister so that we save money to do other things.

With those few remarks, I beg to support.

Mr. Kombe: Ahsante, Bw. Naibu Spika wa Muda, kuwa kunipa nafasi kutoa mchango wangu kwa mjadala huu kuhusu Bajeti.

Bw. Naibu Spika wa Muda, mengi yamezungumzwa kuhusu mambo ya elimu. Hata hivyo, ningependa kuongeza kwamba elimu ya msingi ambayo tunasema ni ya bure hapa nchini si ya bure. Hii ni kwa sababu Serikali inaigharimia. Kwa hivyo, tukisema elimu ya msingi ni ya bure bado hatuuambii ulimwengu ukweli.

Ninegependa kupendekeza kuwa elimu ya msingi igharamiwe na Serikali. Pia ningeiomba Serikali kuunyosha mkono wake na kugharamia elimu ya malezi. Inafaa walimu wa shule za malezi walipwe na Serikali badala ya kulipwa na wazazi.

(Loud consultations)

Bw. Naibu Spika wa Muda, sauti yangu inadidimizwa na sauti za wenzangu wengine ambao hawako sakafuni.

*(Messrs. Wetangula and
Kimeto consulted loudly)*

The Temporary Deputy Speaker (Mr. M'Mukindia): Order, hon. Kimeto and hon. Wetangula! Could you consult quietly? We want to hear hon. Kombe.

Mr. Kombe: Ahsante, Bw. Naibu Spika wa Muda, kuwa kunitetea. Nilisema kwamba ingefaa Serikali igharimie pia elimu ya malezi. Hii ni kusema walimu wa nasari walipwe na Serikali ili kuwapunguzia gharama wazazi ndipo waweze kufurahia matunda ya Uhuru. Wakati huu imekuwa ghali mno kumsomesha mtoto katika shule ya malezi, kwa sababu karo yake

imefikia kiwango ambapo mzazi analipa Kshs300 kwa mwezi. Hii ina maana kuwa karo ya muhula ni Kshs900 na ya mwaka ni Kshs2,700. Katika mashambani kupata pesa kama hizi ni shida, kwa sababu hali ya uchumi imedidimia zaidi.

Ninegependa kuongea juu ya elimu ya ufundi, hasa katika vyuo vya ufundi vijijini. Ni miaka mingi tangu shule hizi za, ufundi zilizobuniwa. Tangu zibuniwe, walimu wake wamenyanyaswa sana. Ni jambo la aibu kutamka pesa wanazolipwa. Wakati fulani nilimwuliza Waziri anayehusika Swali kuhusu walimu hawa na akalieleza Bunge hili kwamba waalimu wa vyuo hivi hulipwa Kshs2,000 kwa mwezi, ingawa wana familia na watoto katika shule za sekondari na hata vyuo vya wastani. Hili ni jambo la kusikitisha sana. Ni muhimu waalimu hao kufikiwa na kulipwa hata kama ni Kshs6000. Kiasi kama hiki kitawasaidia.

Serikali inasisitiza sana elimu ya kiujuzi kwa vijana, lakini utaona kuwa si wengi wanaoweza kuhudhuria vyuo hivi kwa sababu kiwango cha karo kinachotozwa. Ningependekeza kuwa Wizara inayohusika na maswala ya vijana na ile inayosimamia elimu ya ufundi zishirikiane ili Serikali igharamie elimu katika vyuo vya ufundi. Zikifanya hivyo, vyuo hivyo vitaweza kutoa mafunzo bila malipo kwa wanafunzi. Wengi wa wanafunzi katika vyuo hivi huwa wamemaliza darasa la nane na kidato cha nne, ila tu huwa hawajafanya mitihani yao vizuri. Ikiwa tutafanya hivyo, itakuwa rahisi kwetu kutenga hela ambazo zitawafaidi vijana katika mipango yao ya kujitegemea. Kwa mfano, itakuwa rahisi kwa vijana kuunda makampuni kama yale ya ujenzi na kutumika katika miradi inayofadhiliwa na Hazina ya Maendeleo ya Mawakilisho (CDF).

Sisi Wabunge tutaweza kuwapa kazi vijana wetu ambao watakuwa wametoka katika vyuo hivyo vya ufundi na ambao watakuwa wametengeneza makampuni yanayofadhiliwa na hazina ya vijana. Ikiwa Serikali itatilia maanani mambo haya, tutaweza kubuni nafasi nyingi za kazi kuliko zile laki tano tulizoahidiwa. Ninaamini tunaweza kubuni pengine kazi milioni moja kila mwaka kwa sababu vijana ambao watakuwa wameanzisha makampuni yao watawaajiri wenzao wengine.

Katika upande wa kilimo, ningependa kutangaza hapa kwamba sisi watu wa Pwani tumechoka kutegemea chakula cha msaada kinachotoka kwa Serikali. Inafaa Serikali ibuni mipango kabambe ambayo itawasaidia watu wa Pwani ili waweze kuyanyunyizia maji mashamba yao. Hili likifanyika, watu wa Mkoa wa Pwani wataweza kukuza mazao na kujitegemea, badala ya kufadhiliwa na misaada wakati wote. Aidha, si Mkoa wa Pwani peke yake; hata sehemu za Ukambani ziko na shida. Ikiwa mipango ya kunyunyizia mashamba maji ingekuwepo, watu katika eneo la Ukambani wangeepuka maafa yanayotokana na kupelekewa mahindi ambayo yana vimelea hatari vya *aflatoxin*. Wanapokula mahindi hayo, watu wengi hupoteza maisha yao. Mahindi hayo huwa yamekaa zaidi ya miaka mitano katika maghala na huwa yameoza na kugeuka kuwa sumu hatari.

Bw. Naibu Spika wa Muda, hivi ninavyozungumza, katika mawakilisho yangu, kuna lokesheni nne ambazo zina uwezo mkubwa wa kukuza mazao ikiwa tu Serikali ingeweza kuzifikiria na kuzipatia vifaa vya kisasa vya kunyunyizia mashamba maji. Nina hakika kwamba ikiwa Serikali italizingatia swala hili, basi Wilaya ya Malindi haitategemea tena misaada kutoka kwa Serikali. Hivyo basi, ningependa kuhimiza zaidi kwamba wakulima wa lokesheni za Bungale, Garashi, Dagamura, Chakama, Merikebuni, Jilore katika Wilaya ya Malindi waweze kutiliwa maanani ili wapewe vifaa vya kisasa vya kunyunyuzia mashamba maji.

Kuhusu Hazina ya Maendeleo Katika Mawakilisho, kuna ile sheria iliyowekwa eti hakuna eneo Bunge ambalo litaruhusiwa kutumia fedha za CDF kununua matingatinga. Hicho kipengee ni kizuizi kwetu kwa sababu kinatufanya sisi kuwa waombaji wa chakula kutoka kwa Serikali. Ikiwa tutaruhusiwa kununua matingatinga, ninalihakikishia Bunge hili kwamba watu wa Magarini hawataomba chakula tena kwa sababu watatumia matingatinga hayo kulima. Aidha, itatuwia rahisi kutumia pesa za CDF kununua mashine ya kupiga maji na kuyanyunyiza shambani.

Ni ombi langu kuwa turekebishe kipengee hicho katika sheria ya CDF ili tuwe na sheria

itakayotuwezesha kunufaisha watu wetu. Kwa mfano, tuwe na kipengee ambacho kitatuturuhusu kuwafaidi vijana moja kwa moja. Aidha, makundi ya akina mama yaweze kufadhiliwa na fedha za CDF.

Kiwango kinachotengwa kwa ajili ya kugharamia elimu, yaani basari ya CDF, ni duni na hakiwezi kufaidi wanafunzi wote.

Bw. Naibu Spika wa Muda, kwa hayo machache ningependa kuunga mkono.

The Assistant Minister for Information and Communications (Mr. Wamwere): Asante, Bw. Naibu Spika wa Muda. Naomba nichangie Hotuba ya Bajeti ya mwaka huu. Ilikuwa ni Bajeti yenye mema na maovu. Kwa kiwango fulani, ilimuinua maskini, lakini kwingineko ikamuangusha.

Kabla sijazungumza juu ya upungufu wa Bajeti hii, ningependa kwanza kabisa kuipongeza Serikali kwa kutotilia maanani pesa za wafadhili wa kigeni katika Bajeti ya mwaka huu. Kama Serikali hii ingefanya hivyo, basi ingelikosea sana kwa sababu hakuna pesa zinazotolewa na wafadhili bila masharti. Masharti hayo yametufanya kuwategemea wageni sana kiasi kwamba mabalozi wa kigeni wakipiga chafya, nchi nzima inapata homa. Balozi akisema neno fulani na Rais aseme lake, magazeti yetu yatayaangazia maoni ya balozi kwa sababu ya pesa zao. Hata tatizo la mamluki limeletwa na ugonjwa wetu wa kuabudu pesa na wageni. Mgeni akisema ana pesa, tutamfuata hadi jehanamu. Ninampongeza Waziri wa Fedha kwa kutozingatia pesa za wafadhili katika Bajeti yake. Kwa kuzipa kisogo pesa hizo anastahili pongezi zetu. Natumai ya kwamba Serikali itafuata nyayo hizo ili tuweze kujikomboa kutokana na minyororo ya wageni na wafadhili.

Bw. Naibu Spika wa Muda, nashukuru Serikali kwa kuondoa ushuru na kodi zinazotowza bidhaa kama unga wa ngano na taulo zinazotumiwa na akina mama wakati wa hedhi. Hiyo ni hatua nzuri ambayo inastahili kuungwa mkono. Lakini kuondoa kodi hakutoshi ikiwa bei ya bidhaa hizo haitapunguzwa. Bajeti ya mwaka jana ilipendekeza ushuru huo kuondolewa, lakini bei haikupungua kwa sababu Serikali iliwaachia wafanyabiashara wateremshe bei. Wao walipuuza pendekezo la Bw. Waziri na bei ikabakia kama ilivyokuwa hapo awali. Waliamua kuchukua kiasi kilichopunguzwa wakakiweka mifukoni mwao kama faida, nayo bei ikabaki ndoto mpaka leo.

Kwa hivyo, ninatumaini ya kwamba mhe. Kimunya atakuwa amejifunza jambo kutokana na mapungufu yaliyomtangulia Bw. Mwiraria. Kama tulitaka hii Bajeti isaidie maskini, haingekosa kupandisha kiwango cha mshahara wa chini kwa wafanyakazi wetu. Ule mshahara wa chini tunaolipa wafanyakazi wetu bado ni kidogo sana na unastahili kuinuliwa. Pia, ni muhimu tuhakikishe tumeongeza nafasi za kazi ili maskini waone kwamba wanashughulikiwa na Serikali yao. Bajeti nzuri ni ile ambayo inasaidia maskini.

Bw. Naibu Spika wa Muda, jambo lingine ambalo Bajeti ingezungumzia ni kuthibiti bei; kurudisha ule uthibiti wa bei ambao tulikuwa nao zamani. Lakini Waziri hakufanya hivyo na kwa hivyo, kwa kiwango kikubwa, Bajeti hii inabaki ni ya matajiri. Ni hao peke yao ndio wanaweza kushindana na bei hizi. Wale wadogo kule chini hawazimudu bei ambazo zinapanda karibu kila siku. Kwa bahati mbaya, utapata wafanyabiashara wameachiwa uhuru mwingi sana wa kuamua ni lini wapandishe bei, na kwa kiasi gani, na hakuna wakati bei zinaanguka; zinakuwa ni kupanda, kupanda, mpaka sasa zinakaribia kilele cha mlima Kilimanjaro au mlima Kenya.

Bw. Naibu Spika wa Muda, jambo lingine ambalo ningetaka kugusia ni kwamba Wilaya ya Nakuru imepewa pesa kidogo sana za barabara. Ninashindwa kwa nini Nakuru inaendelea kubaguliwa. Sisi ndio tuna wapigakura wengi sana kuliko wilaya zingine zote. Wilaya hii imenyimwa hata Waziri ingawa wapigakura wa Nakuru ndio walikuwa mstari wa mbele katika kuchagua hii Serikali. Wakati kazi zinatolewa serikalini, wilaya ya Nakuru---

An hon. Member: Lakini wewe ni Waziri Msaidizi!

The Assistant Minister for Information and Communications (Mr. Wamwere): Lakini Waziri Msaidizi hana chochote! Tunataka Waziri mwenyewe kwa sababu tunatosha. Wakati kazi zinatolewa, ni vigumu Wilaya ya Nakuru kupewa chochote. Hatuwezi kusema tumepewa hata

balozi mmoja au katibu mkuu, au mkurugenzi katika kampuni yoyote ya umma. Hatupewi! Tunauliza, kama hii Serikali haipatii wakaaji wa Nakuru chochote, ni Serikali gani ambayo itakuja itupe? Rais mstaafu Moi alitunyima. Serikali hii nayo inatunyima; tunatakiwa tungojee Serikali gani ndio ije kukumbuka watu wa Nakuru? Hili ni swala ngumu ambalo ni lazima lifikiriwe.

Bw. Naibu Spika wa Muda, Bajeti hii pia imesahau ya kwamba kuna wakaazi wengi sana wa Mkoa wa Bonde la Ufa ambao walifukuzwa kutoka kwa mashamba yao, wakachomewa manyumba. Ukiangalia pesa ambazo wametengewa za kuwasaidia kupata mashamba na makao tena, hazitoshi hata kidogo; ni Kshs400 milioni peke yake. Tunashindwa hizo pesa zitanunua mashamba mangapi. Kuna maelfu na maelfu ya watu katika Mkoa wa Bonde la Ufa ambao walifukuzwa kwa mashamba yao. Serikali hii iliapa ya kwamba itawasaidia kuwarudisha kwa mashamba yao. Sasa Serikali hii inasoma Bajeti yake ya mwisho na haijafanya kitu chochote. Watu hawa watakuja kupatiwa mashamba na nani? Hili ni kosa ambalo haliwezi kusameheka kwa sababu ni kosa kubwa! Tunaongea kuhusu watu ambao wamekuwa wakimbizi katika nchi yao, na naona kuwa Waziri Msaidizi, Bw. Kenneth, hasikizi ninavyosema. Hawa ndio wangetoa pesa za kusaidia watu hawa. Watu hawa wasiposaidiwa na Serikali hii, mwaka ujao ukifika tutawaambia watupigie kura ili tukirudi Bunge tuweze kuwatafutia mashamba? Hivyo ndivyo tutakwenda kuwaambia?

Nasikia kuwa wale ambao wamepangiwa kupewa mashamba kwanza ni wale ambao wanajua vita; wakaazi wa Likia. Inasemekana kuwa hawa ndio watakuwa wa kwanza kupewa mashamba. Sasa nauliza hivi: Hadi wakazi wengine wa Bonde la Ufa watoe fujo, waandamane, wapigane na Serikali ndio Serikali ione haja ya kuwapa mashamba? Hili ni kosa kubwa ambalo linahitaji kushughulikiwa na Serikali kwa sababu kama haikushughulikia jambo hili, nani mwingine atalishughulikia?

Bw. Naibu Spika wa Muda, nilisikia kwamba kuna ujumbe uliotoka Norway na pesa kusaidia watu hawa kwa kuwatafutia mashamba. Walipoingia katika Ofisi ya Rais, waliambiwa kuwa Kenya hakuna watu wasiokuwa na makao. Hili ni swala ambalo haliwezi kucheze tena! Lazima lishughulikiwe au sivyo, tunafanya kazi ya bure tu.

(Applause)

Nimeumwa kwa sababu kwangu kumejaa maskwota. Labda kina Kimunya hawana watu kama hawa kule wanakokaa na hawasumbuliwi nao. Kwa hivyo, hawaoni shida hiyo.

Bw. Naibu Spika wa Muda, hakuna sehemu ya nchi hii ambayo ni muhimu kuliko nyingine. Kwa hivyo, ni lazima Bajeti hii ishughulikie Wakenya wote kwa namna sawa. Ni lazima sehemu zote ziwe sawa.

Kwa hayo machache, naomba kuunga mkono. Lakini pia naiomba Wizara hii irekebishe upungufu ulio katika Bajeti hii.

Mr. Mukiri: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Budget Speech. I also wish to join those colleagues who have congratulated the Minister for a well-balanced Budget.

(Loud consultations)

Mr. Temporary Deputy Speaker, Sir, there is a lot of interruption from hon. Wamwere and his team.

The Temporary Deputy Speaker (Mr. M'Mukindia): Hon. Wamwere, you had all the time to contribute. So, do not do it at the Back-Benches. Let us give hon. Mukiri a chance to contribute.

Mr. Mukiri: Thank you, Mr. Temporary Deputy Speaker, Sir. For the very first time, we are feeling that we have been liberated. I was quite happy when the Minister said, for the very first time, that we are going to do away with donor funding. For a very long time, this country has been a slave of the International Monetary Fund (IMF) and the World Bank and, to a great extent, the European Union. Not only have they interfered with our lives and our governance, but they have also interfered with the way that we think. I pray for the day that we will completely shed away the donors and their agents from this country so that we develop our country using our own resources. These donors have been so notorious because they keep on promising us money and aid but, eventually, we do not receive this money. Last year, Nakuru District was promised almost Kshs500 million in terms of provision of water and that money was factored in the Budget. But up to today, we have not accessed that money from the Industrial Development Bank (IDB). They keep on putting conditionalities, one after the other and, eventually, you never receive the money, yet you have already factored it in your Development Vote.

Mr. Temporary Deputy Speaker, Sir, there is something which makes me wonder about the European Union (EU). The EU is the one which gave us money for water development. However, the same EU has now given money to Non-Governmental Organisations (NGOs) whose operatives are moving round the constituencies, fighting the CDF. It is now very easy for NGOs to access money from the EU. On the other hand, it has become very difficult for the same EU to release even 10 per cent of the money they pledged to the Government for development.

I will, therefore, be happy if, in future, we avoid completely, factoring in donor funds in our Budget. For the last six years, we have not been able to access Budget support funds promised to this Government by the EU despite the fact that such funds were voted. The EU has all along been promising to make the money available to us.

I hope that this year, the Minister for Finance and the Minister for Agriculture will deal comprehensively with the pyrethrum issue. For the last four years, we have been singing about pyrethrum. We have been asking the Government to invest money in pyrethrum, but what has been put into this sector is insignificant compared to what has been put to other sectors.

Mr. Temporary Deputy Speaker, Sir, sometimes I tend to think the same way as my colleague, Mr. Wamwere. Nakuru District is the single largest pyrethrum-growing district in the country. We have noted with disappointment that the Government has directed more funding to the coffee and tea sectors. There is no corresponding effort by the Government to promote pyrethrum growing. We hope that this time round, having heard the Minister mention the pyrethrum sector in his Budget Speech, the Government will take care of pyrethrum farmers. We have asked so many Questions with regard to this sector for the last four years. Next year we will face voters to explain to them what happened. It is now time for the Government to deal with the pyrethrum production.

Five years ago, pyrethrum used to earn this country about Kshs2 billion in foreign exchange. We no longer have pyrethrum farmers in this country. Farmers decided to uproot all the pyrethrum plants because of mismanagement and the fact that the Government does not want to invest in that industry.

In his Budget Speech, the Minister said that he has set aside about Kshs400 million for the settlement of tribal clashes victims. We have followed up this matter and realised that the Kshs400 million is just peanuts. We thought that for the first time, the Government was going to settle tribal clashes victims. We have even raised Questions in this House. Mr. Wamwere brought to this House a Motion, which the Government supported. However, we have seen that the Government is not serious in re-settling those people.

Tribal clashes victims are all over the country. I have a big number of such victims in Molo. They are all over Nakuru District. We have other such victims in Mombasa and Kitale. In its manifesto, the NARC Government promised to re-settle tribal clashes victims within the very few

years of taking over the leadership of this country. What happened between then and now? Is it because the Government is not committed to the people who suffered under the previous regime? Is it because leaders from clash-torn areas are not well represented in the Government?

Mr. Temporary Deputy Speaker, Sir, the Kshs400 million that has been set aside for resettling tribal clashes victims is not enough. We know where part of that money is destined to. I hope the Minister will listen to my sentiments. As I said, we are approaching an election year. The people of Nakuru District, who make up the largest number of tribal clashes victims, will be asking the NARC Government questions.

The Minister has proposed to support the insurance industry in terms of limiting compensation to victims of accidents. However, the Minister must, in the same spirit, come up with measures to compel insurance companies to pay claims to such victims.

Mr. Temporary Deputy Speaker, Sir, these days, if your car gets involved in an accident and you are insured by one of the dubious insurance companies that I do not want to name, the vehicle is not repaired. Some garages may not accept to repair your vehicle, yet the insurance company you subscribe to has been allowed to do business. Kenyans must be protected from the unscrupulous insurance companies so that when the Minister wants to support them through legislation, it will be easy for hon. Members to support him. The practice right now is that insurance companies are the ones which benefit from the business. Any proposal that the Minister has made will go a long way towards alleviating the problems our people are experiencing in the industry.

I am glad that the Minister has put forward some suggestions to reduce wastage of Government resources. However, the Government should also deal with its bureaucracies. The bureaucracies in the Government cost a lot of money. For instance, today, if you want to process a cheque from the District Treasury Office, it takes at least three weeks. If the Government does not eliminate such bureaucracies, it will be difficult to eliminate corruption. If we want to reduce the wastage of Government resources while corruption still exists, we will not have solved the problem.

On the issue of electric power, I thought that for the first time, the Minister would remove the payment of VAT for those people who are applying for power. We need to supply electric power in the rural areas. However, if you apply for electric power supply, you will be charged a lot of money in terms of VAT. That discourages many people from getting connected. I believe there is a way that the Minister can play around with the policies so that once one is connected, he or she can pay the money intended for VAT after some time. That has discouraged many people from using electric power. Fuel is very expensive, although we do not wish to continue destroying our forests.

I wish to support.

Capt. Nakitare: Thank you, Mr. Temporary Deputy Speaker, Sir, for allowing me to support the Budget that was well framed. The highlight of the Budget was meant to confuse us so that we understand that our taxes are what we will use and that donors' money will be supplementary. It is obvious that the Budget did not reflect the true picture of Kenya. Kenya is an agricultural country, and yet very little has been done towards streamlining our land policy. We are supposed to be growing food for ourselves. However, we have raised the prices of fuel as a way of hiding the obvious lower cost of paying for road licences. It will be more costly now for a farmer to produce a bag of maize. With the kind of prices we are seeing now, a litre of diesel going for Kshs78, that means if you want to plough an acre of land, the fuel, labour and other expenditures will not allow you to make any profits. Agriculture has been killed and it will be devastating for this country. There is going to be devastation in this country, if we do not have good food policies. In the Budget, nothing was mentioned about sustainable agriculture for small-scale farmers. Those are the sources of food production. Sometimes it looks like Kenya is divided into two. We believe that people in the rural areas are in one world, and those who live in cities and other urban centres

are in a different world! Yet, those who live in cities and urban centres depend on the sweat of small-scale farmers. When shall we do without synthetic fertilisers?

If we are increasing our tax revenue by increasing the price of fuel, that is the coldest cold that goes right into a bone that a Kenyan is going to feel. We are not going to feel it now. But as from January; that is the time when farmers buy fuel to plough--- Labour is not going to be conducive to produce food. So, the question is: How is Kenya going to evade starvation in this world? We are turning our arable land into arid land. We have no principles in farming. We are only praising ourselves and those in market places. It is very injurious for the Minister to look at a white-collar job and say: "This is a well-done job! We have done it very well and, therefore, our Budget reflects the people's wishes!" It is a wishful wish. Look at the Kshs400 million that was set aside to settle the people in Likia! What about Trans Nzoia, where the tribal clashes started? My people still live on the road-sides. Nothing has been said about Trans Nzoia.

We want our people to live like others in this country. My people in Trans Nzoia must be settled!

The Temporary Deputy Speaker (M'Mukindia): Order! Your time is up!

Capt. Nakitare: I have two minutes remaining!

ADJOURNMENT

The Temporary Deputy Speaker (Mr. M'Mukindia): You will have five minutes when debate resumes tomorrow.

Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 21st June, 2006, at 9.00 a.m.

The House rose at 6.30 p.m.