

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 28th June, 2006

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.361

NON-PAYMENT OF PENDING BILLS TO CONSTRUCTION COMPANIES

Mr. Ojode asked the Minister for Finance:-

- (a) whether he is aware that many construction firms are winding up as a result of non-payment of pending bills; and,
- (b) whether he could table a list of the firms owed money to date and how much has been paid following the *Kenya Gazette Notice No.297*.

The Assistant Minister for Finance (Mr. Kenneth): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware that many construction firms are winding up as a result of non-payment of pending bills. I am, however, aware of the fact that there are a number of outstanding claims that have been lodged with the Pending Bills Committee.

(b) Through *Kenya Gazette Notice No.297* of 14th January, 2005, the President established a Pending Bills Committee to scrutinise and verify the existing stock of pending claims against Government. The Committee is currently examining and evaluating these claims. It is upon completion of this exercise that the list of firms owed money by the Government will be established. Since the Committee has not finalised its work, the Government has not made any payment of the pending claims.

Mr. Ojode: Mr. Deputy Speaker, Sir, you are aware that this Question was deferred as a result of an unsatisfactory answer which the House received. The Committee was constituted by the President sometime in January, 2005. The Committee finalised its work two months ago. Could the Assistant Minister table the names of those who are claiming money owed to them by the Government?

Mr. Deputy Speaker: Just for the record, I deferred this Question not because of unsatisfactory answer, but because it was taking too much time and both the Questioner and the Minister were giving conflicting information. Therefore, I decided that we defer it to today. That is just for record purposes.

Now, Mr. Kenneth, the Member says that the Committee finished its work and, therefore, what is the position?

Mr. Kenneth: Mr. Deputy Speaker, Sir, I did not say that the Committee has finished its

work. In fact, I am surprised that hon. Ojode thinks the Committee has finished its work. The Committee's mandate has been extended by another seven months. So, the Committee will be concluding its work by December this year. If I may give a little background; the claims that have been lodged amount to over

Kshs100 billion. They have to be verified one at a time. The people who have lodged the claims are applying directly to the Committee. So, it is upon completion of the work of the Committee in seven months' time that we can actually say what is payable and what is not.

Mr. Weya: Mr. Deputy Speaker, Sir, last week, the Assistant Minister said that some contractors owe the Government money. Could he tell us which contractors are these?

Mr. Kenneth: Mr. Deputy Speaker, Sir, the Committee has come up with four categories of claimants. There are those who they might consider recommending for payment and there are those they feel they have to re-pay to Government because they have been over-paid. There are also those they feel ought to be taken to court. But these are indications that they have given to us. So, we have to wait until they complete their work so that we can respond.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, why can the Assistant Minister not name those firms that have so far lodged claims?

Mr. Kenneth: Mr. Deputy Speaker, Sir, that is a different question altogether. The Question on the Floor of the House is for the Minister to table a list of firms owed money. We are saying that until these claims are verified, we cannot admit liability.

Mr. Raila: Mr. Deputy Speaker, Sir, I have the background to this Question. When I was Minister for Roads and Public Works, I appointed a committee to investigate pending bills in the Ministry of Roads and Public Works. That committee produced a report which I tabled in the Cabinet. The Cabinet Committee on Anti-Corruption recommended the establishment of this particular committee to look at other pending bills. But in as far as the pending bills in the road sector is concerned, the matter was investigated and concluded. Why is the Government wasting further public funds in extending the term of this committee for another seven months when it has been in place for over one year? Is it not just another case of Government misusing public funds to pay its supporters?

(Applause)

Mr. Kenneth: Mr. Deputy Speaker, Sir, first of all, I am not aware of any contractor termed as a Government supporter or otherwise. But more importantly, when hon. Raila was a Minister, he appointed a committee to investigate pending bills. That committee has been superseded by another committee that has been appointed by the President. Who has the power of authority in this country?

(Applause)

Mr. Deputy Speaker: Order! I do not think it is wise to continue on this matter in the manner we are doing right now.

Mr. Raila: On a point of order, Mr. Deputy Speaker, Sir. The committee I appointed had carried out comprehensive investigations and concluded the matter. Is the Assistant Minister in order to mislead the House that there are further investigations being carried out by this other committee when the work was already completed by the committee I appointed?

Mr. Kenneth: In fact, that committee nullified the committee that hon. Raila appointed!

(Applause)

An hon. Member: And not the findings!

Mr. Deputy Speaker: Order! Last question, Mr. Ojode.

Mr. Ojode: Mr. Deputy Speaker, Sir, you can see what the Assistant Minister is doing to this august House. My simple question in part "b" reads: "Could the Assistant Minister table a list of the firms owed money to date and how much has been paid following Kenya Gazette Notice No.297?" Let him lay on the Table a list of those firms which have applied that the Government owes them money. As we speak, banks are charging so much money in terms of interest on loans taken by these firms and the firms are going under receivership. We are doing a disservice to our own citizens.

Mr. Kenneth: Mr. Deputy Speaker, Sir, I have said this time and again that hon. Ojode is talking about firms that are owed money, and these are claims. Until those claims are verified, the amount does not become owed! This is very simple English, hon. Ojode!

Mr. Deputy Speaker: Next Question by hon. Sang!

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

Mr. Deputy Speaker: Order! I have given that Question over ten minutes.

Next Question by hon. Sang!

Question No. 393

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

Mr. Sang asked the Minister for Regional Development Authorities:-

- (a) how many projects have been funded by the Lake Basin Development Authority (LBDA) in Bomet, Buret and Kericho districts since its inception; and,
- (b) what the cost of each project is.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, the Minister is indisposed and I have the answer, so I will try to answer the Question.

Mr. Deputy Speaker: Proceed, your Excellency!

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, on behalf of the Minister for Regional Development Authorities, I beg to reply.

(a) From 1995 to 2000, the LBDA implemented and funded the following projects in Bomet, Buret and Kericho districts:-

(i) Development of one multi-district small-scale fish farming project in Bomet, Buret and Kericho districts.

(ii) One rural water supply and sanitation in Kericho District.

(iii) Provision of a bulldozer by the Authority to rehabilitate access roads, de-silt and construct water pumps, pans and dams in the area. It was also used to clear the site for the construction of Soin Sugar Factory.

(b) (i) The development of small-scale fish farming in Bomet, Buret and Kericho districts cost Kshs2.3 million.

(ii) The implementation of the rural water supply and sanitation in Kericho District cost Kshs1 million.

(iii) The provision of the bulldozer cost Kshs2.4 million. Therefore, the total cost of these projects was Kshs5.7 million.

Mr. Sang: Mr. Deputy Speaker, Sir, apart from Soin Sugar Factory, the projects that the Vice-President and Minister for Home Affairs is talking about are non-existent. Soin Sugar Factory

is also a private entity. It is true that the bulldozer from the Authority was used to clear the site, but it was paid for. So, we cannot claim that it was used to assist the people of Kericho. The fish farms that he is talking about are also non-existent. These projects only exist in their books and not on the ground. Can the Government undertake to visit the areas in question to confirm or verify the existence or non-existence of those projects?

Mr. Awori: Mr. Deputy Speaker, Sir, I commit the Government to undertake to verify and bring the answer here.

Mr. arap Too: Mr. Deputy Speaker, Sir, you heard the Vice-President and Minister for Home Affairs say that several projects were carried out in Kericho District. Can he name all those projects and the date they were carried out?

Mr. Awori: Mr. Deputy Speaker, Sir, the following projects were undertaken by the Authority in the areas that I have mentioned:- 93 rehabilitated fish ponds are functional and have been stocked with fish. The total cost of the above activities was Kshs2.3 million. I undertake to lay the list of these 93 fish ponds on the Table.

Mr. Deputy Speaker, Sir, the rural water supply and sanitation programme consisted of sinking boreholes in Kericho District as indicated below:-

	<u>Kshs</u>
(i) Kipsitet Primary School, Belgut	145,000
(ii) Kipsitet Secondary School, Belgut	160,000
(iii) Kirior Village, Belgut	145,000
(iv) Kaproret Village, Belgut	190,000
(v) Amos Bore Village	190,000
(vi) Supervision costs	160,000
Total cost	1,000,000

The programme was implemented between 1982 and 1995 and was funded by the governments of Kenya and Netherlands at a cost of Kshs300 million. On completion of the programme, the Authority handed over the facilities to the registered community committees responsible for the operation and maintenance. Since the local committees oversee the facilities, they have never complained. It is thus assumed that the boreholes are functional.

Mr. Deputy Speaker: Hon. Members, we have only ten more minutes remaining for Questions and I have four Questions remaining on the Order Paper.

Mr. Bett: On a point of order, Mr. Deputy Speaker, Sir. The Vice-President and Minister for Home Affairs was reading a list that is extremely misleading. Would I be in order to request that this Question be deferred so that the Minister for Regional Development Authorities himself can answer it?

(Applause)

Mr. Deputy Speaker: I doubt if that would be sufficient reason for deferring the Question. I think the Vice-President and Minister for Home Affairs has answered the Question well. He has even undertaken to make sure that there is a visit to the projects to verify them, and to lay the list of the 93 projects on the Table.

Last question, hon. Sang!

Mr. Sang: Mr. Deputy Speaker, Sir, the Vice-President and Minister for Home Affairs has agreed to go and inspect these projects. He has caused more confusion from his answer because Kaproret is not in Kericho. It is actually in Buret, and there is no such project in Kaproret. This

Authority has sidelined Kipsigis and Nandi districts because there are no projects which have been undertaken in those districts. Apart from that, the board of directors come from only one area. Since the inception of the Authority, the Managing Directors always come from one community.

Mr. Deputy Speaker: Ask your question!

Mr. Sang: Mr. Deputy Speaker, Sir, I would like to know whether this body will continue to serve Nandi and Kipsigis districts or whether the Government will consider establishing a separate regional body to take care of the interests of the Kipsigis and Nandi communities.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, we intend to maintain one nation. We do not intend to balkanize this country. Therefore, there is no intention whatsoever of setting up another regional body, as this particular Authority is competent to cover the whole of that area.

Mr. Deputy Speaker: Next Question, Eng. Muriuki!

Question No.332

COLLECTION/DISBURSEMENT OF
ROAD MAINTENANCE FUEL LEVY

Eng. Muriuki asked the Minister for Roads and Public Works:-

- (a) how much money was collected as Road Maintenance Fuel Levy in the year 2004/2005 and how much was disbursed to every constituency;
- (b) what the estimated amount for the current financial year is and how much is estimated to be allocated to every constituency; and,
- (c) how much has been disbursed to each constituency so far this year.

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

- (a) A total of Kshs9,466,957,000 was collected during the financial year 2004/2005. A total of Kshs7,177,107 was disbursed to each constituency.
- (b) It is estimated that a total of Kshs9,300,000 will be collected this financial year. Each constituency has been allocated Kshs6.5 million.
- (c) This financial year, Kshs6.5 million has already been disbursed to all the constituencies.

Eng. Muriuki: Mr. Deputy Speaker, Sir, the law requires that 16 per cent of the Road Maintenance Fuel Levy should be shared equally among the constituencies. If you divide 16 per cent of Kshs9.3 billion by the number of constituencies, each constituency should receive Kshs7.05 million. The Ministry has disbursed only Kshs6.5 million to each constituency and yet the financial year has already come to an end. Where is the balance of Kshs500,000 for each constituency?

Eng. Toro: Mr. Deputy Speaker, Sir, in answering part "b" of the Question, I said that the amount of money that was sent to each constituency in the last financial year was about Kshs7.1 million. This financial year, we have not completed the collection, and the Kenya Revenue Authority has also not completed remittance of the amount of money. That is why we said that approximately, Kshs9.3 billion will be collected. So, once the Kenya Revenue Authority completes remittance of the money, the Kenya Roads Board will work out the actual entitlement for each constituency. The figure could be about Kshs7.2 million, as per the last financial year. So, that is a question of waiting until the financial year ends.

Mr. Twaha: Mr. Deputy Speaker, Sir, when we started the District Roads Boards (DRCs), the original intention was for them to be autonomous, so that they could hire their own staff and organize their work programmes. However, one busy body by the name of John Harun Mwau

went to court and stopped that intention. The original intention is still very good.

What action is the Assistant Minister taking to appeal against the court ruling or ensure that the Kenya Roads Board Act is implemented the way it was originally intended, notwithstanding what John Harun Mwau wants?

Eng. Toro: Mr. Deputy Speaker, Sir, the Kenya Roads Board has been pursuing that issue although it has not been concluded to date. However, although the DRCs are not autonomous and not acting independently, they are still functioning. Members of Parliament still participate in making decisions on the roads that should be graded or gravelled.

Mr. Twaha: On a point of order,]

Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Order! Hon. Members, this habit of Members wanting to ask one question after another in the pretext of raising points of order cannot be sustained.

Eng. Muriuki: Mr. Deputy Speaker, Sir, could the Assistant Minister tell the House why we expect to collect less money this year when we know that fuel consumption is expected to be much more this year compared to last year? Could he also confirm when the money allocated to the constituencies will be disbursed? The current financial year ends this week.

Eng. Toro: Mr. Deputy Speaker, Sir, as I said, Kshs6.5 million has already been disbursed to all the constituencies. What is left is the computation of the final figure by the Kenya Roads Board. Any balance will be remitted to the constituencies in the next financial year.

Mr. Deputy Speaker: Next Question, Prof. Olweny!

Question No.046

BREAKDOWN OF 1998 BOMB BLAST VICTIMS

Prof. Olweny asked the Minister of State for Special Programmes:-

(a) whether he could enlist by nationality those who died and those who were injured during the bomb blast at the Embassy of the United States of America in Nairobi in 1998; and,

(b) whether he could give a breakdown of how compensation for the deaths and injuries was done.

Mr. Kingi: Mr. Deputy Speaker, Sir, this Question is supposed to be handled by the Minister of State for Special Programmes. I talked to them this morning and they promised to come to answer the Question. I do not know what has happened.

Mr. Deputy Speaker: Prof. Olweny, since the Minister is not here, the Question must be deferred to tomorrow.

Prof. Olweny: Mr. Deputy Speaker, Sir, may I request that it be brought next week?

Mr. Deputy Speaker: Is Wednesday next week okay with you?

Prof. Olweny: Yes, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Very well! Question deferred!

(Question deferred)

Hon. Members, the remaining two Questions by Prof. Mango and Mr. Karaba will be deferred to tomorrow. I order that they be given priority.

Question No.097

REHABILITATION OF KENFINCO
WATER WELLS/PUMPS IN BUTULA

(Question deferred)

Question No.388

AMOUNT OF MONEY COLLECTED
UNDER REP

(Question deferred)

Next Order!

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT, MR. SPEAKER DO NOW
LEAVE THE CHAIR

(The Minister for Finance on 15.6.2006)

*(Resumption of Debate
interrupted on 27.6.2006)*

(Fifth Allotted Day of Budget Debate)

Mr. Deputy Speaker: Mr. Likowa, you were on the Floor last evening. You have five minutes left!

Mr. Owino: Mr. Deputy Speaker, Sir, when presenting his Budget Speech to this House, the Minister for Finance said, with regard to the banking sector, that he would only consider a banking product that has been specifically designed for the Muslim community to cater for a deep rooted matter of their faith. I want to say that many other enterprising Kenyans also need some banking facilities. If the Minister is going to give new banking products, he should consider doing so across the board to include even the poor Kenyans who need that money.

Mr. Deputy Speaker, Sir, on privatisation, the Minister talked of Kshs18 billion which he is about to collect from privatisation of state corporations. Even in the last financial year, the Minister factored in some money he had expected to raise from the privatisation of some State corporations. However, to date, nobody knows what is happening. Privatisation is a secretive and slow process being undertaken behind the scenes, leaving Kenyans to wonder what is going on.

Therefore, the Minister should come clear on what he intends to do with the National Bank of Kenya and who are ready to purchase shares from it and Telkom Kenya Limited. Even in the previous Budget, the Minister factored in some money he had expected to raise from sale of certain State corporations but nothing happened. The corruption cases which have come up are not being

addressed properly. The Kenya Anti-Corruption Commission (KACC) has raised many issues which are not being addressed. We are wondering if the KACC has any teeth at all to prosecute people. Those people who are corrupt are known, yet nothing is being done to them. The Goldenberg as well as the Anglo Leasing cases are still pending in court, yet nothing is happening.

I will now turn to the issue of agriculture. I am a sugar-cane farmer.

(Ms. Abdalla stood up in her place)

Mr. Deputy Speaker: Ms. Abdalla, Standing Order No.85 does not permit you to do what you are doing.

Proceed, Mr. Owino!

Mr. Owino: Thank you, Mr. Deputy Speaker, Sir. I am a sugar-cane farmer. The Minister proposed a levy on sugar-cane farmers, in the name of Sugar Development Levy. As most of us are aware, the sugar industry is in a death bed. Any action like the Minister has taken will increase the problems in the sector. Sugar-cane farmers are heavily taxed. The farmers buy fertilizers at a high cost, they also incur transportation and other serious costs which are levied on them. Therefore, if we increase the levies, we will kill the morale of farmers. The Minister should come out very clearly on the issue. I am sure he did not consult with his counterpart in the Ministry of Agriculture. They should have talked and agreed that it would not be prudent to introduce the levy to our farmers. Every farmer is somehow taxed. It is unheard of, anywhere in the world, for farmers to be taxed directly and I have heard for the first time. In many countries, farmers are subsidised. I do not know why we cannot do that here. In fact, the sugar sector will die because cheap imports will be brought here, and the COMESA deals we have will put our sugar industry into jeopardy and the sector will eventually die. The Minister knows that sugar is a food product. Why did he not zero-rate the VAT on sugar? We have said, many times, that the VAT charged on sugar should be zero-rated. I do not know why that is not done. The Minister will be able to tell us.

When the President opened this Session, early this year, he talked about a cotton authority that would soon be put in place. However, the Minister did not say anything about it.

I support.

The Assistant Minister for Co-operative Development and Marketing (Mr. Mwenje): Thank you, Mr. Deputy Speaker Sir, for giving me this chance to add my voice and that of Embakasi to this Motion, concerning the Budget. This year's Budget was one of the best I have ever listened to since I came to this House several years ago. Everybody talks well of it. I am even surprised that officials of the World Bank are also talking well of it. It was, indeed, a good Budget. However, what remains to be seen is how it will be implemented. We have also listened to very good Budgets previously. However, when it comes to implementation---

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! There is a corner on my right and the Front-Bench on my left where some hon. Members are consulting in very high tones, such that we cannot hear what the hon. Member on the Floor is saying. If you want to continue consulting, you could walk out so that we continue with business.

The Assistant Minister for Co-operative Development and Marketing (Mr. Mwenje): Mr. Deputy Speaker, Sir, I said that the actual implementation of the Budget is what we would want to see being done properly and effected in the right way and time. One thing we have not been checking, as a House, which is a regulation and should be done are the quarterly reports which are supposed to be done by the Ministries which are allocated money. It is important that the Public

Accounts Committee insists that the Ministries produce the quarterly reports which are supposed to be brought to this House so that we scrutinise whether the money was properly spent for the purpose it was allocated. In the absence of that, it is very difficult to monitor whether it was actually spent well.

One of the areas where there was an increment was fuel. I am not objecting to the Kshs3.20 increase. However, I do not agree with the fact that if you drive from here to Thika, you will see one petrol station charging Kshs76 per litre, another one may be charging Kshs77, yet another one may even be charging up to Kshs80 per litre. There is no logic as to how one trader can make profit while selling a litre at Kshs76 and another one is allowed to sell at Kshs81. I agree with hon. Members who have said that we must return the price control on fuel. The business of liberalisation is not benefiting our people, particularly in the aspect of petroleum. We must, therefore, make a decision on what we want to do. Do we want to allow our people to be oppressed by traders who want to sell fuel at exorbitant prices or do we want our people to benefit from liberalisation in a manner that makes them suffer? We must make a decision, as a House, and I believe it is time to bring some kind of price control, even if not fully. We must control the price of fuel. As long as we continue to neglect the issue, our people will continue to suffer and being misused by those who are trading in the industry and multinational companies which supply us with fuel.

I remember that at one time, a former Minister for Energy used to call all stakeholders in the petroleum industry for consultations. However, that is no longer happening. The Permanent Secretary in the Ministry of Energy should call all petroleum suppliers and discuss the prices with the Kenya Pipeline Company so as to know who is causing the temporary increments. A litre of petrol today should not cost more than Kshs74, yet every trader is charging between Kshs76.00 and Kshs81. That is not fair and we must step in and stop it.

We have seen a lot of progress with the CDF projects. Members of the Press have also realised the usefulness of the CDF. The pressmen who were not interested in knowing what was being done with the CDF have now known what is going on.

Mr. Deputy Speaker, Sir, I am now pleased that we can carry out many projects using the Constituencies Development Fund (CDF). Some constituencies like mine, which has the highest population in this country - 1 million people - only receive Kshs42 million. There are smaller constituencies which receive Kshs60 million! What criteria is used? If it is the poverty index, who are poorer than the people of Embakasi? I do not understand that. I do not believe that, that system is proper. We have to look at it again and amend it. Alternatively, the figures that are given by the Ministry of Planning and National Development are not correct. Until we amend that, we will continue suffering. The highest tax comes from Embakasi because that is where most people live. They should also benefit more. That is the kind of system that should be used. So, I do not agree with the system that is being used today to determine allocations to CDF. I hope the Minister, or whoever is supposed to do that, including our Parliamentary Committee led by Eng. Muriuki, would look at that once again because it is not proper.

Mr. Deputy Speaker, Sir, I agree with the Minister that we do not require road licences any more. But we must also look at other taxes levied on motor vehicles. The police no longer bother with road licences. They look for other funny things so that they can be bribed by motorists. Let the Minister put all other motor vehicle requirements in the Road Maintenance Fuel Levy. Our people are very hard-working and I believe things are changing.

Mr. Deputy Speaker, Sir, those who have eyes but do not want to see--- Everybody can see how the economy of this country is improving. With the revival of Kenya Co-operative Creameries (KCC) and Kenya Meat Commission (KMC), farmers will help themselves. The Government has taken a great step forward. Now that the Government has considered farmers, it should shift its attention to city dwellers. We need to improve the living standards of our people. In the country-

side, when they keep cattle, as Mr. Munyao will tell you, they make some money. The Government should shift its attention to town dwellers and see how it can improve their lives by using the Budget.

Mr. Deputy Speaker, Sir, I want to mention something about the Co-operative Movement, where I now belong. Many co-operative movements are now working well. But we still have quite a number of co-operative movements and Saving and Credit Societies (SACCOs) where the leadership has failed. A number of those who are heading co-operative movements have not changed their systems. Even after elections were called, some leaders are not giving the services to the people. I want to give a warning to all those who are not improving their co-operative movements and, in particular, Kirinyaga District that, their time is over! We are going to restructure the societies and hold new elections in areas where SACCOs have not been giving proper services. I want to appeal to those in coffee co-operatives to start working now that the coffee market has started improving. We are going to move into direct sales.

With those few remarks, I beg to support.

Mr. Mwandawiro: Ahsante sana, Bw. Naibu wa Spika, kwa kunipa nafasi hii nami nichangie Hoja hii kuhusu Bajeti. Bajeti ya mwaka huu imepewa sifa nyingi. Inalenga kuondoa umaskini, ina shabaha ya kubadilisha maisha ya vijana na kadhalika. Lakini mimi nasema kwamba sifa ya Bajeti hii itajitokeza wakati itakapotekelezwa. Ndipo tutajua ikiwa Bajeti hii imeleta mabadiliko mapya katika hii nchi. Katika historia ya nchi yetu, tunatengeneza Bajeti miaka nenda, miaka rudi, lakini maisha ya wananchi hayabadiliki. Maana ya maendeleo ni kuboreka kwa maisha. Maisha yakibadilika kuwa mazuri zaidi, umaskini ukipungua, watu wakipata ajira zaidi, watu wakiwa na nyumba bora zaidi na ufukara ukipungua katika nchi, ndipo tutasema kwamba tumeona maendeleo. Lakini tukichunguza nchi yetu kwa ujumla, tunatengeneza Bajeti kila mwaka. Lakini mitaa ya mabanda inazidi kuenea kila siku. Umaskini upo katika miji. Watu wengi wanateseka. Kuna watu maskini ambao hawana ardhi. Lakini kila mwaka, tunatengeneza Bajeti. Lakini wale maskwota wanabaki vile vile. Waliotolewa katika mashamba yao kutokana na vita vya kikabila bado wanaendelea kuteseka. Hali yao haibadiliki kabisa! Kazi haziongezeki, viwanda haviongezeki--- Hata vinafungwa zaidi!

Bw. Naibu wa Spika, tutakapokuwa na Bajeti kamili inayoambatana na mipango halisi ya kiuchumi ambayo inalenga kuboresha maisha katika nchi yetu, tutasema kwamba Bajeti hiyo ni bora. Kupata Bajeti kama hiyo, lazima tuwe na nia halisi ya kuangalia vile tunavyomiliki rasilimali zetu za asili. Katika Bajeti ya sasa, kumekuwa na juhudi za kutotegemea pesa za wafadhili. Hilo ni jambo zuri kabisa kwa sababu tukiendelea kutegemea wafadhili, tutakuwa chini ya makucha ya ubeberu. Tunajua kwamba hatujakuwa na faida kubwa kutokana na misaada kutoka nje. Inafaulu kutuparaganya na kutupotezea njia ya mipango ya maendeleo. Kwa hivyo, hiyo nia ya kutengeneza Bajeti ambayo haitegemei pesa za wafadhili ni nzuri sana. Lakini, lazima iambatane na mipango halisi ya umilikaji wa rasilimali zetu. Katika kufanya hivyo, sikubaliani na nia ambayo imejitokeza katika hii Bajeti kwamba, suluhisho la kiuchumi la nchi kama yetu ni kubinafsisha mashirika ya umma. Tunaelewa kwamba kubinafsisha mashirika ya umma sio suluhisho peke yake. Maduka ya Uchumi yalikuwa yakimilikiwa na watu binafsi. Lakini umeona vile yameangaia! Kwa hivyo, dhana kwamba suluhisho la kiuchumi ni ubinafsishaji wa mashirika ya umma peke yake, haifai. Katika nchi hii, lazima tuzingatie sekta zote za kiuchumi. Sekta zote tatu lazima zifanye kazi pamoja - sekta ya ubinafsi, ya dola na ya vyama vya ushirika. Tukiwa na suluhisho la kiuchumi kama hilo, tutaendelea mbele. Kama taifa, ni lazima tumiliki mambo muhimu katika uchumi letu. Mfano mzuri ni nchi za Latin Amerika. Zimekuwa na mpango wa ubinafsishaji kwa zaidi ya miaka 200, na hazijafaulu. Lakini sasa, zimeondoa ubinafsishaji na kuchukua uongozi wa makampuni kutoka watu wa nje. Mabadiliko yameanza kuonekana. Nchi ya Venezuela imeanza kusimamia mafuta yake. Bolivia imeanza kusimamia gesi yao. Peru na Mexico

pia zimefuata mtindo huo. Nafikiri nchi hizo zitaendelea mbele na kutuwacha nyuma sisi Waafrika. Nchi hizo zimeamka ilhali sisi tunaendelea kudanganywa kwamba barabara ya kujiendelea ni ubinafsishaji tu. Mataifa mengi yamejaribu ubinafsishaji, lakini za yameanza kuendelea wakati yameanza kusimamia uchumi wao.

Bw. Naibu Spika, ili kuwe na utekelezaji wa mambo ambao tunapitisha hapa, lazima tuwe na tarakimu sawa sawa. Kwa hivyo, Wizara ya Mipango na Maendeleo ya Kitaifa lazima ifanye kazi. Hakuna utafiti wa kutosha. Kwa mfano, katika Mkoa wa Pwani, Wilaya za Voi na Mwatate zinapewa basari. Lakini huwezi kuelewa ni kwa nini waalimu wa Wundanyi hawapati pesa hizo, na hali mazingira ya Wundanyi ni sawa na yale ya Voi na Mwatate. Hali hiyo inaletwa na kutokuwa na tarakimu za ukweli. Inaonekana kwamba Wizara ya Mipango na Maendeleo ya Kitaifa haifanyi kazi.

Wakati tunapozungumzia habari ya Constituencies Development Fund (CDF)--- Kama vile Bw. Mwenje amesema, katika sehemu za mijini, kuna umaskini sana. Ni kana kwamba hakuna utafiti umefanywa kujua hali halisi ya umaskini. Ili kuwe na utekelezaji wa Bajeti kikamilifu, lazima kuwe na tarakimu za ukweli na lazima Wizara ya Mipango na Maendeleo ya Kitaifa ifanye kazi.

Isitoshe, katika mambo haya yote tunayoyazungumzia, lazima tuzingatie sheria. Katika nchi yetu, tunatunga sheria lakini hatuzifuati. Kwa mfano, miji yetu inaendelea kuwa mitaa ya mabanda. Miji yote katika nchi yetu inakuwa mitaa ya mabanda! Tuko na sheria zinazowaongoza watu kujenga nyumba. Lazima wazingatie uhandisi fulani na kanuni zilizowekwa na Serikali za Mitaa. Lakini, hakuna mtu anafuata sheria. Ikiwa hatufuati sheria, hata tukiandika Bajeti nzuri namna gani, itakuwa kazi ya bure!

Bw. Naibu Spika, pesa za CDF kwa kweli zinafanya kazi. Lakini hatujui asili mia 97.5 ya pesa zinazobaki katika mikono ya Serikali zinafanya kazi gani. Kwa mfano, tukienda Wundanyi na kuuliza Wizara ya Maji na Unyunyizaji Maji Mashamba ilifanya mradi gani tangu niingie Bungeni, hakuna hata mmoja. Tunaweza kuzungumzia Wizara ya Kilimo na Wizara ya Mifugo na Samaki. Lakini Wizara ya Elimu inajaribu. Kuna pesa kidogo ambazo zinafika kwa watu mashinani. Lakini kwa ujumla, ni lazima tuangalie kwamba hizi pesa--- Hali ya kuachia Serikali asili mia 97.2 na hatuoni maendeleo ni dhibitisho kwamba sera hiyo haifanyi kazi. Hizo pesa hazifikii wananchi. Nisikitika kwamba mwaka huu, CDF haijaongezwa mara dufu. Tungefanya hivyo, umaskini ungekwisha.

Bw. Naibu Spika, tunasema kwamba Bajeti imelenga vijana. Lakini hizo ni siasa zinazoitwa kwa Kizungu "*populist politics*". Ni siasa za kufurahisha tu. Matatizo ya vijana - kama ya kitaifa - yatasuluhishwa kama kutaboresha uchumi halisi katika nchi yetu. Lazima tutengeneze kilimo, viwanda vyetu na kuweka mikakati halisi ya kuondoa umasikini. Vijana wenyewe pia wamegawanyika kitabaka. Kuna tabaka la vijana wachache ambao ni matajiri. Hao ndio wanashikilia mamlaka. Ukiangalia watu wote ambao wanashikilia mamlaka katika nchi yetu, ni vijana.

Kwa hayo machache, naomba kuunga mkono.

Dr. Ali: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Budget Speech. A lot has been said about the Budget. There might be some good things but, as is always the case with Kenyans, they know how to write many good papers which result to nothing. I hope that will not be the case this time round. I also hope the Government and the Minister will get the revenue and implement all the projects.

Mr. Deputy Speaker, Sir, I wish to thank the Minister for providing some money to the Drought Contingency Fund. That proposal has been on the table for a very long time. Many people have asked for it; including donor agencies. I am not very sure whether the Kshs500,000 is good enough. There are some people who had proposed that, at least, over US\$50 million might be

required for that Fund. If the Government is serious, it can raise the Kshs4 billion that is required. That will help the people who have really suffered as a result of the drought.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I hope that money will not be misused as has been the case before. Those who are politically-correct have been sending funds to areas with imaginary emergencies. The Fund is called Drought Contingency Fund and it should mean that. It should not be an emergency Fund that can be used in any part of this country, even where there is no drought. That measure will help to solve some of the problems in this country, especially in the northern region. We have been told many times that money will be provided to marginalised areas. But, sincerely, we do not see much of that. During drought, the only Ministry which was functioning was the Ministry of Water and Irrigation. It has done a good job and should be congratulated. Kenyans are usually not good at that. But we should accept that fact. We should encourage civil servants who have done a good job.

Mr. Temporary Deputy Speaker, Sir, I am not sure whether the money that we will get from the increase in Road Maintenance Fuel Levy will solve the problems that we have. When the Minister was reading the Budget Speech, he said that he does not expect fares to be raised. But fares have been increased everywhere. Prices for all the commodities will be increased. Is this really a Budget for the poor? That is a question which the Minister needs to answer. But, as far as I am concerned, I do not think it is a Budget for the poor. It might have a good side, but the effect it might have on poor Kenyans could outweigh the good things. Already, fares in many parts of Nairobi have been increased by 50 per cent! What will happen to those in the rural areas? Obviously, fares will be doubled. How many Kenyans own vehicles? Those who have five or six big vehicles like hon. Members and rich Kenyans pay between Kshs40,000 and Kshs50,000. But what about the remaining 97 per cent of Kenyans? Will scrapping the road licences really affect their life? I do not think so. However, increasing the price of fuel will affect the lives of the *wananchi*.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about the bursary funds. Some constituencies were getting very small amounts of money while others were getting a lot of money. However, my constituency will not be affected by the change. This money will now be disbursed through the CDF. Will it be of benefit to the rural Kenyans? How much will this money be? We are only allowed to give 10 per cent of our CDF as bursaries. So, what will happen to the constituencies which are getting over Kshs10 million? That is an issue that needs to be considered. The Minister should disburse that money the way that he used to allocate before.

With regard to the Kenya Meat Commission (KMC), I would like to congratulate the Government for opening up the KMC. This is a good start. However, I hope that Kenyans will not go to the KMC and continue doing what they are good at; misappropriation and misuse of the resources that have been allocated to the KMC. The management of the KMC seems competent. The officers have a lot of experience. I hope that the oversight institutions, such as the Committees of Parliament, the Ministry of Finance and the parent Ministry of Livestock and Fisheries Development will do their work properly, so that the KMC does not collapse again.

The problem in this country is that there is a lot of politics. Even when the Minister for Finance is reading his Budget, he politics around. The issue of the hon. Members paying taxes should not be a big issue. If the Minister wants to get money from the hon. Members' allowances,

he should just talk to his colleague, the Attorney-General, and bring an amendment to the Miscellaneous (Amendment) Bill and the hon. Members will support it. If that is done, we will possibly pay about Kshs30,000 each, which will translate to a maximum of Kshs700 in total. If that will go a long way in helping Kenyans, then we should be proud of doing that. Issues of hon. Members and the constitutional office holders paying taxes are not issues for the Minister to talk about here. It is the responsibility of the Minister to do what he needs to do, so that if the hon. Members refuse to pay taxes, then we can be bombarded. I do not understand why most of us are being hit left, right and centre when we think that we are doing the right things.

Mr. Temporary Deputy Speaker, Sir, Ministers should stop politicking about hon. Members because they are also hon. Members. They are first hon. Members and then Ministers. They should stop hitting at the hon. Members and talking about their salaries. All the hon. Members should pay taxes.

The youths of this country have suffered. If you look at the people who occupy top positions in this country, you will find that they are all grandfathers, who will not think much about what happens to their grand sons, although most of them pretend to do so by marrying very young ladies. If the Government is serious, it should recruit relatively young and qualified people; less than 50 years old, to top positions. A young person is energetic and can work for long hours whereas a 75 year old officer dozes off when he sits in an office or a meeting for two hours. We cannot blame them! They are aged! When you are aged, there are certain jobs that you cannot do and you can only work for a certain number of hours in a day.

We need energetic workers in this country and they are there in every region, even in the so-called marginalised areas. We have qualified young people who can work in all the sectors. The Government should not just talk about helping certain regions. If you want to help the regions of this country which have really suffered, the best way to do that is to open them up. Every day, we are being told that the Government wants to open up northern Kenya, so that we can do business with Ethiopia and Sudan. However, there are no roads and telephone facilities in the region. How will we open up the region?

With those few remarks, I beg to support.

The Minister of State for Public Service (Mr. Akaranga): Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Budget Speech.

Having gone through the Budget Speech, I agree with the people who say that it is a common man's Budget. First, looking at the way the Budget addressed the issues concerning the youth, I find that the establishment of the Youth Enterprise Fund with an initial allocation of Kshs1 billion is going to help our youth.

The youths are the majority of our population. I am happy that the Government has decided to address the issues of the youth by allocating funds to take care of them. I believe that the Kshs1 billion will be utilised properly, so that nearly every young person in this country will benefit from it. The allocation is one thing, but the distribution is yet another thing. Our youths have a feeling that the Government has left them out. The Minister has set aside Kshs500,000 to improve on our polytechnics. He said that each constituency will be given funds to improve, at least, one polytechnic. If we invest the Kshs500,000 in our polytechnics and add some more money from the CDF, our youths will have some technical training in various fields, which will support them. Indeed, this is going to promote the *Jua Kali* sector in this country.

Mr. Temporary Deputy Speaker, Sir, the Minister also talked about the removal of duty on kits for bicycles. In this country, we have the *boda boda* cyclists. In western Kenya, for example, we have very many *boda boda* cyclists. I believe that those who are in the bicycle business will take advantage of the removal of duty and import bicycles, which will be sold to our people at reduced prices.

Mr. Temporary Deputy Speaker, Sir, apart from the *boda boda* issue, the Minister also reduced duty on assembled motorcycles from 25 per cent to 10 per cent. I would urge the Minister to reduce it further because our people would want to be upgraded from riding *boda boda* to riding motorcycles. We have a new

[The Minister of State for Public Service] transport policy in the Civil Service. I heard the Minister say that most of the Government vehicles will be taken away from the civil servants. I know that those civil servants who are in the middle and lower cadres cannot afford to purchase new vehicles. If the prices for motorcycles are lowered, they might buy them to enable them to be mobile.

Mr. Temporary Deputy Speaker, Sir, something which has also pleased the civil servants is that the Minister factored their salary increases in the Budget. It was only yesterday that I announced the new salary increases for the civil servants. I talked to the Minister and told him that it was very important for us to increase the salaries for the civil servants if we really wanted to improve on the public service in this country. I was happy because the Minister took it seriously and inserted the increment in his Budget.

Mr. Temporary Deputy Speaker, Sir, recently pensioners' payments have also been increased with effect from 1st July and this increase has also been factored in this Budget. We have a total of 162,000 pensioners in this country and they were very happy when His Excellency the President announced an increase of their pension from Kshs500 to Kshs2,000 per month. Therefore, I see that this year's Budget has taken into consideration the problems of the poor. Those pensioners who used to do a good job for this country but were neglected by the Government are now happy with this increment. I agree that this Kshs2,000 is not enough but it is a way forward. At least, it is something. We are moving towards better things for our people.

Mr. Temporary Deputy Speaker, Sir, I also looked at the Constituency Development Fund (CDF). Although there was a minimal increase in the CDF kitty, I think we have to appreciate whatever the Minister has given us. Even if the CDF kitty was tripled and we cannot make proper use of it, its effects will not be felt. So, I appreciate the increment the Minister has given us. I want to assure Kenyans that we will make good use of this money so that the electorate will see hon. Members of Parliament who they elected doing something good on the ground. The CDF is the only money in this country which reaches *wananchi*. They are also funds which are well spread throughout the country and, therefore, the idea is very good.

Mr. Temporary Deputy Speaker, Sir, I know there are some people who are complaining outside there that the CDF money should not have been there in the first place, but let me tell them that they are talking politics and we cannot prevent them from doing so. However, the hon. Members who are serious with the CDF will continue making use of it by initiating projects in their various constituencies so that *wananchi* will be able to assess their performances. In fact, you are aware that the civil servants are now on performance contracts which are different from employment contracts. The concept of performance contracts is good. I wish that even all hon. Members of Parliament here were placed on performance contracts so that when the CDF is given to them they are able to explain to their constituents how they have performed within that particular year. That will be a good thing if implemented and I think hon. Members will support me on that.

Mr. Temporary Deputy Speaker, Sir, when I look at the sugar industry, the Minister has proposed to amend the Sugar Levy order by shifting the base from consumers to the sugar-cane growers. This does not augur well with the sugar-cane farmers and especially myself who comes from Western Province where we have many sugar-cane farmers. We rely on this crop. I am sure the effect of this move will make the imported sugar cheaper than our local sugar and, therefore, affect the sugar industry. However, I believe that the Minister will look into this move and rectify the position so that the sugar-cane farmers can also be happy.

With those few remarks, I support.

Mr. Twaha: Bw. Naibu Spika wa Muda, asante sana kwa kunipatia fursa hii kuchangia Hoja hii ya Bajeti, yaani makadirio ya pesa za Serikali na matumizi yake. Wakenya kwa hakika walifurahishwa sana na Bajeti hii ya juzi kwa sababu ilianguka mambo mengi kama hayo ya akina mama, vijana, wakulima na waliostaafu. Yote yalikuwa ni mambo mazuri na ya maana na naunga mkono Bajeti hiyo.

Bw. Naibu Spika wa Muda, lakini kuna maswali mawili au matatu ambayo wananchi wanauliza kule nyumbani. Swali la kwanza ambalo wanauliza ni: "Tumesikia kwamba wakulima wa kahawa, maziwa na sukari walisamehewa madeni. Kwa nini Serikali haijafikiria katika Bajeti hii kutenga pesa za kusamehe madeni ya wakulima kule kwetu Lamu ambao wanapanda mazao ya pamba, bixa na korosho na wote ni wakulima wa Kenya?" Kama Waziri angeangalia swala hilo, nafikiri pia sisi kule Lamu tungekuwa na furaha kama wale Wakenya wengine waliosamehewa madeni.

Bw. Naibu Spika wa Muda, deni sio tu la wakulima bali liko katika mambo ya ardhi. Unajua swala la ardhi kule Pwani ni swala tata na nyeti sana. Tatizo la Lamu ni tofauti na yale matatizo ya sehemu zingine katika Pwani kwa sababu, kule Mombasa, Kwale na kwingineko kuna sehemu tatu ambazo zinavutana kwenye mambo ya ardhi. Kuna Serikali, wananchi wanaokaa katika ardhi na wale wenye ardhi ambao wanaitwa *absentee landlords* kwa Kimombo. Swala hilo linakuwa ngumu lakini kule Lamu ni baina ya wananchi na Serikali pekee yake. Kwa hivyo, Serikali ikifanya uamuzi inaweza kutatua shida za ardhi mara moja na wananchi wapate vyeti vyao vya kumiliki ardhi na wafanye maendeleo mengine wakichukua mikopo na kufanya biashara nyingine kwa sababu ukulima peke yake haiwezi kumudu idadi ya watu ambao wanazaliwa kila siku.

Bw. Naibu Spika wa Muda, tumependekeza kwa Wizara, hata kama Serikali haitaki kutuhurumia jinsi iliwahurumia wananchi wa sehemu zingine za nchi hii kwa kuwasameheha madeni, tuko tayari kutumia pesa zetu za hazina inayojulikana kama, Constituency Development Fund (CDF) kulipia mashamba yetu. Watu wengine wanasema hatuwezi kutumia pesa za Serikali kulipia madeni ya kibinafsi. Ikiwa wakulima wote wanalipiwa mashamba, hilo si deni la kibinafsi, bali ni deni la jamii. Hazina ya CDF hasa, ni ya kuondoa umaskini. Njia moja ya kuondoa umaskini ni kuturuhusu tuzitumie pesa za CDF kulipia madeni ya mashamba yetu kwenye makao yetu ya mashambani katika Eneo Bunge la Lamu.

Bw. Naibu Spika wa Muda, Hotuba ya Waziri ilikuwa nzuri lakini alisahau kutuambia ni pesa ngapi ametenga kulipa fidia kwa wananchi ambao wameathiriwa na wanyama pori. Wanyama pori wametusumbua sana. Wanyama hao wanaharibu mimea, wanawaumiza watu na wakati mwingine, hata kuwaua wananchi. La kustaajabisha ni kuwa wananchi hawalipwi fidia kwa kupoteza mimea, vyombo na hata maisha yao. Tungefurahi kusikia ni pesa ngapi Waziri ametenga na ni utaratibu upi utafwatwa ili watu ambao wameathiriwa na wanyama wa pori wapate kulipwa fidia. Wanyama hao ni miliki ya Serikali. Ni lazima Serikali iwahifadhi vizuri, ili wasiwaathiri wananchi. Ikiwa Serikali haiwezi kulipa fidia, basi inafaa iwasamehe watu wa Eneo Bunge la Lamu madeni mengine. Shida moja inayotufanya tusilipe madeni yetu ya mashamba ni kwa sababu mimea inaharibiwa na wanyama wa pori kama ndovu, viboko na kadhalika. Wakulima wanapata hasara na hawawezi kupata pesa za kujibuni kimaisha na kulipa madeni hayo.

Bw. Naibu Spika wa Muda, Waziri pia hakuzungumzia ni vipi atawasaidia wakulima wa pamba na korosho kwa njia ya kuwapatia vifaa kwa bei ya chini, kwa mfano, mbolea, madawa ya kuwaua wadudu na kadhalika. Pia hakuzungumzia wazi ni mikakati gani Serikali itatumia kuinua bei ya mazao na mifugo. Tungefurahi sana kusikia ni vipi tutaweza kuanzisha kiwanda ambacho kitaleta mashindano baina ya wanununuzi wa mazao hayo. Wakati huu katika eneo la Pwani, kuna kampuni moja tu ya kununua pamba. Kampuni hiyo ina fursa ya

kuweka bei vile inataka. Ikiwa kuna viwanda viwili ama vitatu, kutakuwa na mashindano ya ununuzi wa mazao, ili kuhakikisha mapato ya wakulima yataongezeka na hali yao ya kimaisha itaimarika.

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

Mr. J. Nyagah: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. I stand to support this Motion. I wish to thank the Minister for Finance for the Budget that he presented for this year. Let me just mention a few of the items that I think deserve some praise, and those that he could have improved, and where attention is required.

Mr. Temporary Deputy Speaker, Sir, I want to thank the Minister because having recognised that the bulk of the Kenyan population consists of the young, it was important to allocate some funds for the youth. It was a bright idea to come up with the Youth Fund of about Kshs1 billion that will be used to help the Kenyan youth. For a long time, we have told the youth that they are the leaders of tomorrow. Over 63 per cent of Kenyans are the youth and they are demanding that they be accommodated in the leadership of this country. They accept, I am sure, that formal employment will be difficult to come by. Therefore, any programme that gives the youth a chance, such as the Youth Fund that has been created, is a welcome move. We have been told that in addition to the Kshs1 billion set aside for the Youth Fund, there will be efforts to raise more funds from the donor community and companies in Kenya so that the Fund will be bigger than the Kshs1 billion that the Kenyan Government will be putting in. This is something that should be encouraged. If we do that, we will be in a position to give the youth loans and various packages so that they are in a position to develop both the informal and formal sectors.

Mr. Temporary Deputy Speaker, Sir, in the process of setting up that Fund or any programmes that involve the youth, it is important to include young people in the committees, even if they are from our universities and other institutions---

(Mr. Ndile consulted loudly)

The Temporary Deputy Speaker (Mr. Waithaka): Order, Mr. Ndile! Will you consult in a low tone?

Proceed, Mr. J. Nyagah!

Mr. J. Nyagah: Mr. Temporary Deputy Speaker, Sir, this way, the youth, not only those working in Government, but also those in private institutions, will be involved.

Mr. Temporary Deputy Speaker, Sir, I wish to address the issue of Kenyans living abroad. I am told that one of the biggest source of foreign exchange earnings for this country has become Kenyans living overseas. I am told that the boom that we are seeing in the housing estates, particularly the flats, is because of the funds that have been remitted---

(Mr. Wamwere stood up in his place and consulted loudly)

The Temporary Deputy Speaker (Mr. Waithaka): Order, Mr. Wamwere! Could you sit in the right manner and consult in a low tone?

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

It is quite clear that we need to give incentives to Kenyans who live abroad. When you travel overseas, Kenyans abroad will always tell you that they are not getting enough incentives. In many countries such as India, the development that is taking place there has to do with resources

and expertise that their locals who live overseas are taking to their country. I would have liked to see the Minister introduce tax incentives that will make Kenyans bring in more funds to this country. The biggest investor in Kenya for a long time will be Kenyans both locally and Kenyans living abroad. So, could the Minister consider the possibility of introducing tax incentives similar to what India and other countries have done so that more funds can come in from overseas? With the number of Kenyans living abroad, earning salaries and with various investments, it is important that we should encourage them. The Minister should not only give incentives, we need an office whose responsibility will be wholly to look after the interests of Kenyans abroad. I know this suggestion has been made. However, it is important that the Kenyan Government, given the importance of that Ministry, that we also create a department, like some countries have done, that will look after the interests of Kenyans abroad so that they can bring more resources to Kenya.

Mr. Temporary Deputy Speaker, Sir, I would have liked the Minister to tell us how he intends to deal with companies like Western Union, which are exploiting Kenyans. Kenyans send money from overseas and for every US\$100 they send to their people, Kenyans are paying US\$25. It is important that the Minister sits down with Western Union and negotiates with them, like other countries have done, so that out of the US\$100, mothers and uncles of Kenyans receive more than they are receiving. That has been done by other countries. It is the responsibility of the Minister for Finance to do what other Ministers in Philippines, India and Sri Lanka have done so as to ensure more resources arrive in our country.

Mr. Temporary Deputy Speaker, Sir, it is a pity that we are passing on the sugar levy to the farmers. Farmers are over-taxed. They suffer very much. I would have liked to see sugar-cane farmers in Western Kenya given incentives, not discouragement. Taxing a farmer is unfair. This is an agricultural country and we must give incentives to farmers. At this point we should not be discouraging sugar-cane farmers, we should be encouraging them. As one of the earlier speakers said, our sugar will not compete with imported sugar. Worldwide, sugar is used in an election year to finance general elections. This could, therefore, not be an accident that this is happening a year before the general elections. It may be a deliberate move to ensure that revenue from sugar will be used to finance the general elections. This has happened in the past. It has also happened in many countries. I hope hon. Members from those areas will lobby very aggressively to have that levy removed from sugarcane farmers. Otherwise, it may cost them their seats in the next general elections. The farmers will be angry and the money raised from that levy might be used to remove them from Parliament.

Mr. Temporary Deputy Speaker, Sir, I come from an Arid and Semi-Arid Lands (ASAL) district. I am disappointed by the amount of money that has been allocated to ASAL districts. I would have liked to see a lot of money allocated for water projects in the 22 ASAL districts. The amount that has been allocated for water is so little. It is like petty cash! Our people will continue to walk long distances in search of water. If there was no CDF, I do not know what our constituents would have done. We should stop being a talking-shop and allocate more resources to the ASAL districts, particularly for water projects. Once we have water in our areas, we will be okay.

Mr. Temporary Deputy Speaker, Sir, there is a feeling that the drought is over and the Government has stopped giving us relief food. They think that there is no drought because the rains came for a few weeks. It is true that in some areas, the food situation has improved. However, we still need more relief food because our people are going hungry. I know that food has been given to Non-Governmental organizations (NGOs) to distribute to the needy. The Minister of State for Special Programmes should ensure that the districts are allocated more money and relief food. We should not assume that because the rains have come, we are okay. We are far from being okay! We need relief food. Our people are dying and we must assist them. We should not leave it to the

NGOs to feed our people. The NGOs are simply feeding a few people per village. We need a lot of relief food for our people.

Finally, Mr. Temporary Deputy Speaker, Sir, I want to talk about security tenders. We know how we have gone through this before. I was disappointed when I realized that the Anglo Leasing debts are not included in the list of external debts. They exist and they must be addressed. They should be re-negotiated. We should not assume that they do not exist. We are going to be caught up with our embassies being auctioned in The Hague, London, France and in other countries. We have no choice but to re-negotiate and address the issues of Anglo Leasing type deals.

With those few remarks, I beg to support.

Dr. Manduku: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to support this year's Budget. It was a good Budget.

An hon. Member: Are you sure?

Dr. Manduku: Mr. Temporary Deputy Speaker, Sir, I was not in the country when the Budget was being read.

An hon. Member: No wonder!

Dr. Manduku: Mr. Temporary Deputy Speaker, Sir, I would like to say that from everybody who was calling and reading from the internet, this Budget has been rated to be the best ever since Independence, and we want to support it.

I would like to look at some of the factors that are making this Budget to be called one of the best. If we look at the economic revolution that is being done in this country, it is being supported by the new Budget. More money has been allocated to the CDF. This is one of the ways of bringing development to the people in the villages. Although the CDF was introduced three years ago, the common *wananchi* in the villages have realised that there is a Government which is supporting them. I would, therefore, like to commend the Minister for increasing the allocations for CDF although it was not what we were asking for. We were asking for more money to initiate development projects for our people in the villages.

Mr. Temporary Deputy Speaker, Sir, primary and secondary schools in the villages are in pathetic conditions. We need to rehabilitate them. The other day, I went round my constituency to see how much work has been done in the schools with the CDF money. If you go there, you will find a lot of difference from what was there a year or two ago. That shows that we are doing a commendable job for this country. In some schools, children were infested by jiggers. Today, there are no jiggers in most of the schools. We should appreciate that we have done a good job for the common *mwananchi*.

Mr. Temporary Deputy Speaker, Sir, on the issue of roads, we have used the CDF money to improve the roads in the villages and our people are able to access the markets and hospitals. There was a time when villagers could not get to hospitals. When they got sick, they were carried in wheelbarrows. You would find people pushing patients from the villages in

wheelbarrows while some would carry them on their backs. However, with the little money we receive through the CDF, vehicles can access the villages and take patients to hospital. Let us, therefore, support the CDF. If we continue this way for another ten years, I think Kenya will be a developed country. Rather than being called a Third World country, we may be called a First World country. We would like to ask the Minister to allocate more money for the CDF in next year's Budget.

Mr. Temporary Deputy Speaker, Sir, I would like to look at the issue of health for our people. Public health needs a lot of support. If our people are not healthy, they cannot develop this country. We want our people to develop this country by themselves. If they are not healthy, they

cannot do so. Our hospitals are still in very pathetic conditions. They need to be supported. Most importantly, we need more staff. We have no doctors, nurses and support staff. If you go to the dispensaries, you will find one that is supposed to be run by a clinical officer (CO) is being run by an enrolled community nurse (ECN). That ECN is not even able to give a diagnosis. However, as long as there is a medical issue, you will find that she is struggling through a problem that she cannot manage. I would, therefore, like to urge that more money should be allocated to the Ministry of Health to assist them to employ more staff. This will make our people healthy in all spheres.

The training of doctors should be encouraged because our country is producing very few doctors. The ratio is one doctor to 10,000 people. We have been to some other countries where you will find that they have 100 people per doctor. We need a revolution of the health sector. Let us, therefore, try as much as we can to ensure that medical doctors and personnel are given priority in our universities. They should also be trained so that they can take good care of our patients. Without healthy people, we cannot develop. If we have an epidemic in this country, we may find it very difficult to handle it. I remember there was a time when we had Severe Acute Respiratory Syndrome (SARS) here and everybody panicked because they do not know what to do. If the avian flu breaks out in this country, it will be very difficult to handle. So, let us set aside enough money for emergency. An emergence can happen any time without our prior knowledge of it. We should be prepared to deal with it, and enough money should be allocated to the Ministry of Health for this purpose.

Mr. Temporary Deputy Speaker, we have put up many schools using the CDF money but they lack teachers. I went to one of my primary schools recently and found that a classroom with 83 pupils had only one teacher. Surely, will such a teacher impart any knowledge to those pupils? We need enough teachers for our children. We should train and employ more teachers. Employment of teachers is now becoming difficult, yet we have many trained teachers who are not employed. Some of them have been at home for over 10 years after graduating from teacher training colleges. Last year, we interviewed one young man who was 46 years old. He had been trained 10 years back and was about to attain the retirement age before being employed. He said he had sought employment for 10 years, but never got it. He appealed to us to employ him, but the law says that one cannot be employed on permanent terms after attaining the age of 45 years. So, we must employ teachers who have completed teacher training.

There is a big shortage of teachers in our schools. The excuse that there are no vacancies in our schools is not true. Let us allocate more money to the Ministry of Education, to enable it employ more teachers. We are able to build more classrooms and purchase books and laboratory equipment for our schools, but we have a shortage of teachers. So, I urge the Ministries of Education and Finance to come up with a scheme for employing more trained teachers for schools in our villages.

Mr. Temporary Deputy Speaker, Sir, we have problems of insecurity in our villages. Our farmers are attacked by thugs at night. The Government should intensify security in all areas so that our people have enough security. Our people should sleep peacefully at night, and then wake up in peace to go and work in their farms. Security is very important for the development of our rural areas. We should put up more police posts in our rural areas. We need security men there, so that they can help our people.

Of course, there is a problem of our security personnel asking for *kitu kidogo* to do their work. This habit should be a thing of the past. We should pay our police men well and train them to be patriotic and to serve our people well. The Government should pay them well; some of them are working under very difficult and dangerous conditions. They should be paid well so that they can give good service to Kenyans.

Our police officers should also be housed well. There is no police station with good housing units for its officers. Provision of good housing is one of the basic human rights. Our officers should be housed well, so that they work well. We must support better housing for our police officers.

I also wish to appeal to the Government, and the Minister, to provide enough money through this Budget for the youth. The youth are the leaders of tomorrow. It is good that the Minister for Youth Affairs is here now. He should come up with programmes to support the youth.

With those few remarks, I beg to support.

Mr. Khamisi: Thank you, Mr. Temporary Deputy Speaker, for giving me this opportunity to contribute to this very important debate.

I wish to congratulate the Minister for a very thought-provoking Budget. However, there are a few things I would like to mention that I think are important for us to move forward. I say this because the motto of this Budget is: "Framework for the future: Laying the building blocks". I am not so sure that the Budget that was presented here by the Minister actually lays the building blocks for the future. We can talk about the good things that have been provided for in the Budget. We can talk about youth polytechnics, funds for the youth, development of women groups and so on. But, given my past experience with this Government, I am not so sure that the issues that were raised in the Budget will be implemented. This Government is too ambitious but its record has not provided any evidence to show that it will do the things it has talked about.

Nevertheless, I would like to say that the increase---

Mr. Nderitu: On a point of order, Mr. Temporary Deputy Speaker. Is the hon. Member on the Floor in order to say that he doubts that what is contained in the Budget will be implemented, when he is a beneficiary of what is provided in it? As of now, he has received Kshs60 million through the CDF!

The Temporary Deputy Speaker (Mr. Waithaka): He is entitled to express his doubts!

Mr. Khamisi: Mr. Temporary Deputy Speaker, Sir, my point of contention here is on land. In paragraph 89, the Minister only says that the landless will be settled and has provided Kshs400 million for that purpose. The people to be settled became landless as a result of tribal clashes and relocation from water catchment areas. We have a very serious problem of landlessness. This problem is actually evident at the Coast Province. We have said many times in this House, and outside it, that the Government needs to find a lasting solution to the landlessness of tens of thousands of people at the Coast.

We have the problem of absentee landlords. I am very disappointed that the Minister did not deem it fit to put aside funds to settle the landless on the land that is owned today by the absentee landlords. We also did not hear from the Minister what the Government intends to do with tens of thousands of hectares of Government land, now occupied by squatters in the Coast Province. This Government is not serious, and I cannot see it laying building blocks for the future, because without land people cannot be effective contributors to the economy of this country.

I urge the Government to rethink its policies. We have been told here severally that the Government has a land policy that will ensure the settlement of squatters. Nothing has been forthcoming for the last four years. I am sure that unless something happens in the next one year, this Government will certainly be in disfavour of the people of Coast Province.

I am also disappointed that there was no mention whatsoever of the adjudication of land. We have complained severally in this House about this matter. We were told that the Government did not have money to employ surveyors and other officers who do land adjudication work. I do not think we will get anywhere if we do not allocate money for this purpose.

With regard to the re-opening of the Kenya Meat Commission (KMC), I am disappointed that the Government has not seen it fit to also re-open stalled factories at the Coast. I am talking

about the failed cashew nut factory at Kilifi District and the sugar factory in Kwale District. The people of Coast Province depend on cashew nut and coconut products. These are equivalent to coffee and tea which we see upcountry. It is important that the Government provides a way to ensure that these two products which are actually export products are developed.

Mr. Temporary Deputy Speaker, Sir, we have not seen any improvement in terms of fishing. Presently, emphasis is only put on fishing in Lake Victoria and other fresh water lakes. There is no emphasis on fishing in the Indian Ocean and yet we have seen the intrusion of foreign trawlers into our waters. This is not beneficial to the local people at all. I would, therefore, like the Government to rethink its policies on fishing along the Indian Ocean.

The Minister talked about investment and trade. I have a very good example of a case where the Government is not serious about promoting investment and trade. We have an investor who has come in my constituency prepared to invest US\$10 million in making a golf course, building cottages and an airfield that will allow international golfers to come to the area to play golf. As we talk now, this matter is in abeyance because the Government has refused to give consent to the land that is being sold by Rea Vipingo Estate to this company. I am very disappointed because the people have already started building the wall around the golf course yet they have not been provided with the necessary documentation that they need to proceed. The Government needs to be more serious about this issue because I am in dire need of investments in my area. Currently, I do not have any. For me, this is godsend and I have appealed to the Government and even called State House to intervene on this matter. I hope that something will be done in the near future.

Mr. Temporary Deputy Speaker, Sir, the Minister also talked about encouraging Kenyans to build houses. He proposed to do this by exempting from income tax the interest earned on deposits of up to Kshs3 million. This is a very commendable move. However, I would like to advise the Minister that the majority of people in this country are too poor to save enough money to enable them build a house. We need to provide facilities not only to urbanites, but also to the rural folks so that they are

empowered to build houses. They will then be able to live in them or rent them out for income-generating purposes.

With regard to the CDF, I am glad about it. The money that is being used in the CDF is actually people's money; it is not the Government's money. I think that point should be made very clearly so that nobody takes the credit for providing CDF money when it is very clear that it is the people who actually pay for the CDF projects.

I thank the Government for giving me the Kshs60 million that my colleague here has talked about. However, I think I deserve more than that because my area has been neglected for the last 40 years. So, Kshs60 million to me is a drop in the ocean. I would like the Government to increase the amount of money allocated for CDF so that we can all be getting over Kshs100 million, especially the areas that are underdeveloped and have been marginalised all these years. That way, we will be able to catch up with people from Kabete Constituency who are said to be the richest in this country. We need to move along with everybody else. We cannot allow some people to be richer and others poorer.

Mr. Temporary Deputy Speaker, Sir, with regard to the Government's intention on the media. Recently---

Mr. Muite: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member for Bahari Constituency to mislead Kenyans that there is any single rich constituency in this country when we know that all constituencies are poor? Is it not more accurate for him to talk about Kabete Constituency being the least poor and not the richest?

The Temporary Deputy Speaker (Mr. Waithaka): If you catch my eye, Mr. Muite, I will give you an opportunity to say what you want to say.

An hon. Member: Mr. Khamisi's time is up!

Mr. Khamisi: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I wish to support.

The Temporary Deputy Speaker (Mr. Waithaka): Mr. Muite!

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, there are three issues I would like to contribute on when talking about the Budget Speech.

The first issue I would like to touch on relates to the retirement benefits and I want the Minister for Finance to listen very carefully. There is an injustice here that is being perpetrated. Who is perpetrating the injustice and against whom is it being perpetrated? The retirement benefit is money contributed by workers in the middle-class for purposes of pension. Remember that we have got banks, multinationals and the Retirement Benefits Authority (RBA) telling the Kenyan workers, who are contributing this money, that if they are retrenched or they resign from employment before they reach the age of 55, then they cannot access their money. The excuse given is that you must wait until you are 55 years old because if you get this money earlier, say, when you are 40 years old, then you will misuse it and live in poverty. That is not the real truth. The real truth is not the fear that these people are going to misuse the money.

The real objective is that the insurance companies, the multinationals, banks and employers want to continue to possess that money so that they can use it and make profit out of it for as long as possible. That money is only benefiting the employers, multinationals and insurance companies. It is just an excuse that people should not access their money until they are 55 years old. I find that to be paternalistic. Whether you are 30 years old or 40 years old it is still your money. In fact, it is at that age that you need to educate your children. In any case, even if you misuse the money, is it not your money? How can somebody else tell you what to do with your money? So, I want to appeal to the Minister not to decide in favour of the golfing buddies who are the directors of the insurance companies and multinationals. Let him think about the ordinary Kenyans and make decisions that will benefit the majority of Kenyans.

Mr. Temporary Deputy Speaker, Sir, that rule needs to be repealed immediately so that where a worker is retrenched, resigns or retires before attaining the age of 55 years, he has an option of accessing his money. Let us not have this injustice being perpetrated against the worker through the collusion and connivance of the Government merely because they want to please the directors and chairpersons of these insurance companies and multinationals in order to give them possession of workers' money. We know that they need the money to make profit out of it for the longest period possible. I hope that the Minister will take into account these sentiments which are from the majority of workers and repeal that rule immediately.

The second point that I would like to talk about is that a Budget has to be set in the wider context of some defined economic policies. It is not just about the collection of money and its expenditure. It should be part and parcel of a wider economic policy. What one sees clearly is that the Government has become very efficient in the collection of tax and should be recommended for that. To an extent, the Government has also been efficient in the expenditure of tax, particularly through the CDF. I agree with the Member for Bahari Constituency that once in a while one hears the Government claiming credit for introducing CDF. On the contrary, the credit for the introduction of the CDF should go to Members of Parliament because it was their initiative and not the Government's. The collection is good and to some extent, the expenditure is good too, but one does not see the policies that will nurture economic growth. If you want your cow to increase the production of milk from 15 kilogrammes to 25 kilogrammes, you must feed it. In this case, we are over-milking the cow without feeding it properly. One would like to see policies that would

encourage economic growth being put in place. The Government is overtaxing its citizens without putting in place corresponding policies to nurture economic growth, particularly in the small and medium-scale industries which are the biggest employers.

Mr. Temporary Deputy Speaker, Sir, if you look at developed economies, you will find that the engine for economic growth are the small and medium-scale businesses and not the big businesses. So, one would like to see policies that are friendly to the small and medium-scale businesses being put in place so that they can produce more.

Look at the hawkers, for example. Look at how efficient this Government is when it comes to driving the hawkers out of the streets. Look at how efficient, ruthless and decisive the Government is when it comes to kicking what they call "squatters" out of the forests. However, when it comes to repossessing the land that was grabbed, and I do not want to breach the Standing Orders by mixing Kiswahili and English, *Serikali hii inianza kuregarega*.

(Applause)

When it comes to dealing with land grabbers, the Government is not decisive. We want a clean city, but we also recognise the fact that it is not the hawkers who grabbed the land where they could have operated from as open air markets. Even as the Government kicks hawkers out of the streets, could it repossess grabbed land and convert it to open air markets where they can sell their wares? Could the Government, as it kicks squatters out of forests, repossess grabbed land, so that it can settle them there? Why does the Government not repossess the Agricultural Development [Mr. Muite]

Corporation (ADC) farms from the wealthy people who grabbed them and resettle the squatters?

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

Mr. Musila: Thank you, Mr. Temporary Deputy Speaker, Sir. I want to join my colleagues in congratulating the Minister for Finance for the Budget he read in this House. I do not want to say that it is the best Budget because we use the same phrase - it is the best Budget - every year. I, particularly, want to congratulate the Minister for Finance because it was his first Budget and not because it was the best.

Mr. Temporary Deputy Speaker, Sir, in summary, let me touch on what Mr. Muite has said with regard to pensioners. I want to thank the Government for increasing wages for public officers, and particularly, the lower cadres although it is not sufficient. However, I want to focus on pension because the Government has not come up with a clear policy to take care of pensioners.

Recently, the President announced that the minimum pension will be increased from Kshs500 to Kshs2,000. However, there must be a deliberate policy to look after pensioners. This is because in every country, whenever there is a salary increment for public officers, a corresponding percentage is given to pensioners. This is because you cannot expect pensioners to survive on the little money that they were awarded many years ago. So, as the Government announces an increment of salaries for public officers today, it should correspondingly announce the increment for pensioners. Those are people who have no representation, are suffering and cannot go on strike.

We passed a Bill in this House, and it is law, that pensioners must be paid their benefits before they leave office. Today, the Government is breaking the law because many pensioners are still at home without their pensions. I urge the Minister for Finance, in whose docket the Pensions Department falls, to immediately publish increment for pensioners and also ensure that those who retire receive their pensions as quickly as possible.

Mr. Temporary Deputy Speaker, Sir, the Youth Fund was established by the Minister for Finance and this is a brilliant idea. However, unless we have a system of distributing those funds equitably, by the end of this financial year, we will find that the money has been used in one or two

districts, and you know which districts I am talking about. So, we must have a system in place of allocating those funds to districts. I am not suggesting that hon. Members should be in charge of the Fund. Let the money be distributed to all the districts. We should not be told that we have a Fund of Kshs1 billion and at the end of the year, we are told that those funds were not disbursed to some areas.

While still on the Youth Fund, I want to draw the attention of the Minister for Finance to the plight of thousands of students who left school but cannot access employment opportunities because they have no certificates.

(Applause)

I brought a Motion to this House which was unanimously passed. That Motion asked the Government to release certificates to students who completed the Kenya Certificate of Secondary Education (KCSE) and cannot access employment opportunities. I have gone very far towards this end. I have appealed to the Minister and even petitioned the President on behalf of those poor students for the release of their certificates. Some of those students are orphans. How can we talk of looking after the youth when some youths are rotting at home because they cannot access employment opportunities? The Government should release those certificates. The Government has written off loans that were issued to coffee farmers. It has also bought the KCC. The Government has also written off the Agricultural Finance Corporation (AFC) loans owed by tycoons, and yet orphaned students who completed school are asked to pay fees balances before they can be given their certificates. Some of those balances are as old as 12 years. I have a list of 1,000 former students in my constituency who have been denied their certificates because of fees arrears. The Minister gave a figure of slightly over 700,000 students who cannot access their certificates. Are we really serious when we talk of improving the welfare of the youth, and yet we cannot address this problem?

Mr. Temporary Deputy Speaker, Sir, I want to talk about ASAL areas. When His Excellency the President opened Parliament, he announced that during this financial year which is coming to an end, the Government drilled 200 boreholes and built over 100 water pans in ASAL areas. The Minister for Water and Irrigation is in this House. Where were those 200 boreholes drilled? I come from an ASAL district and I can only account for two boreholes which were drilled this financial year. We have 22 ASAL districts. If you divide 200 boreholes by 22 districts, you will roughly get ten boreholes in every district. Where are the 200 boreholes that the Government says it has drilled in the ASAL areas? Where were the 200 water pans built? Only one dam was built in my area. There is a lot of unfairness and deception that things are happening out there when they are not.

Even the Kshs1.5 billion the Minister for Finance announced has been factored in the Budget for water projects in the ASAL areas is a public relations exercise. Could he tell us how much money each district will get out of the Kshs1.5 billion set aside for water projects so that we can know whether we will get water or not?

As we speak today, people are going without food out there. The famine situation has worsened particularly in ASAL areas including Mwingi District. The Government has stopped giving people food. The Government waits until people start dying then they start distributing food. The Government has abdicated its responsibility and has left it to NGOs. Let me appeal to the Government to do something about famine which is ravaging communities in ASAL areas because nothing is happening as I speak today. During the State Opening, the President promised this House that the Government will allocate more resources towards feeding the hungry people of this country, but nothing has been done in this regard, as I speak.

Mr. Temporary Deputy Speaker, Sir, let me speak on the issue of rural electrification. Yesterday an hon. Member said that rural electrification is only implemented in areas where there are Ministers. I want to support this hon. Member, who is Mr. Bifwoli. We know that there are funds for rural electrification. We want the Government to come out clearly and tell us where these rural electrification projects, which will cost so many billions, are.

The same thing applies to roads. Yesterday the Minister for Co-operative Development and Marketing told this House that you cannot find a single contractor out there who is idle. He said that all contractors are busy doing roads at the moment. Where are they? Which roads are they building? I have not seen any roads being built in my district. I am trying to allude to the lopsided type of allocation of resources. I will prove this when we come to debate single Ministerial Votes. You will be amazed to find out that although the Government has increased the amount of money that has been allocated for Development, the Budget has been increased in certain districts and decreased in others. We must come out of this system of concentrating development in certain areas.

Mr. Temporary Deputy Speaker, Sir, you do not need to have a President or a Minister in a district so as to get development. All Kenyans deserve development. The Minister must do away with that habit which has been going on for 43 years since Independence, where Government resources are allocated to who knows who. The Government continues to tell us that it is transparent and that resources are being allocated equitably, when we know that that is not the case. When we come to debate the Votes of Ministries I will be able to prove to the Ministers responsible that they are being unfair to a lot of districts.

Mr. Temporary Deputy Speaker, Sir, I want to touch on education. I have already talked about the wastage that is going on in our school system, where we are offering free primary education. Some of these students go to secondary schools and they finish, but only about 10 per cent are able to access their certificates, particularly in my district. The rest end up dropping out of school and staying at home because they cannot access employment.

We appreciate the fact that there is free primary education, but primary classes are now having up to 100 students with one teacher. I was told by the DEO that the shortage of teachers in Mwingi District stands at 1,200. Which district other than Mwingi has such a high shortage of teachers? Yet you will find that we are still being given the same number of teachers as those districts which are already overstaffed.

I am talking about unfair distribution of resources across the board. I would like the Government to exonerate itself from this unfair practice that has continued to marginalise certain areas of this Republic.

I beg to support.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. The Minister has been congratulated because this was his first Budget Speech. I want to talk about tax collection. Collection of Income Tax has improved. Recently, the Government admitted that one supermarket chain has collected VAT from its sales but has not remitted Kshs18 billion to the Government. It is a disaster!

We are using a system whereby we rely on the trust of retailers. How do you rely on a person who came from another country to come and make easy money in a country called Kenya? If you go to a shop, these people will ask you whether you want a receipt or not. They tell you that if you do not ask for a receipt you will not pay any tax. That is what they say. It is a fact.

Mr. Temporary Deputy Speaker, Sir, it is a fact that when you go to these shops they will tell you that if you do not ask for a receipt, they will sell the goods to you at a lower price. If you insist on the receipt, which shows the tax, then they will sell to you at a higher price. We want collection of tax at the level of the manufacturer. We should not go to the retailer or distributor.

This should apply to every manufacturer, even fuel manufacturers. Why is it that we collect every single cent from the Fuel Levy Fund and that cost is transmitted to the passenger in a *matatu* or a bus? Why do we not impose the VAT on the manufacturers?

If we collect tax directly from the manufacturer or the importer, that manufacturer will make sure that he transmits that cost to the retailer. We should not expect the retailer to buy from the manufacturer and collect the tax for the Government because we would be misleading ourselves. That is why these people come here, collect money and in a few years they have disappeared.

I believe that it is only in this nation where people are allowed to transmit money abroad. They go to the forex bureaus, buy dollars and take them out of this country. Whereas the father and the son are in the shop, his wife and daughter are in these multinational banks buying dollars and remitting.

Mr. Temporary Deputy Speaker, Sir, I come from an area which produces tea and coffee and I am sad that the dollar never stabilises against the shilling because they allow people to send away money. You will find that somebody is selling in the shop but he sends his next of kin to foreign-owned banks to send away dollars. This is because the Central Bank of Kenya (CBK) does not determine how many dollars one can remit and for what reason. If we do not start regulating the foreign exchange going out of the country, then this country will be working for people who will continue stashing dollars away in foreign countries.

Mr. Temporary Deputy Speaker, Sir, I want to talk about the Sugar Development Levy. We are taxing the Kenyan sugar-cane farmer for producing sugar. This is a very sad situation. If that is the case, then let us liberalise sugar production. At the moment areas which can produce sugar from sugar beet are restricted from doing so, because of some agreements with some strange countries. We should be allowed - and I am going to do it in my area - to grow sugar beet. Why are we stopped from producing sugar from the beet crop, yet we have a deficit of over 200,000 tonnes of clean sugar every year? Why do we stick to only sugar-cane and tax the farmers very heavily? This is a sad situation. So, we have to allow regions where sugar beet can grow to start growing and producing sugar from it. There is no difference between the soils in Europe, where they grow sugar beet, and those in our highlands. Let us grow sugar beet and reduce the sugar deficit. This deficit leads to the importation of sugar. We import sugar from the Common Market for Eastern and Southern Africa (COMESA) region, but in the end a few individuals benefit a lot. This is a sad situation. We have to start producing enough sugar for the country.

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

[Mr. Deputy Speaker resumed the Chair]

Mr. Deputy Speaker, Sir, I want to talk about the Constituencies Development Fund (CDF). Sadly, the Minister says that we will get Kshs10 billion for the CDF. What percentage of the total Budget is this? There will come a day when we shall talk about what happened to our Motion. I do not want to talk about it now. The Kshs10 billion is just about 2.8 per cent of the total Budget. What happens to the 97.2 per cent? We want Kenyans to be told the truth. We would like the CDF percentage to go up to 30 per cent, so that the distribution of resources in this nation will not depend on the wishes of the Central Government. We require the armed forces. However, they are the biggest beneficiary of the Kenyan resources, yet if we go to the Kenya-Uganda border, you will find the people there are suffering, because the forces are doing nothing. Let them go to the border for their military exercises. People are being killed at the northern border. The forces should go to

practise in that area, so that they can make use of the resources allocated to them. What are they doing in the barracks? We require a standing army, but it should not just sit in the barracks eating, drinking and having fun. Let them go to the field and prevent the disasters which are happening to our Kenyans in the Arid and Semi-Arid Lands (ASALs).

Mr. Deputy Speaker, Sir, I want to speak about the money which the Minister says he has set aside for the youth, Kshs1.5 billion. As other hon. Members have said, without a clear-cut policy, we should not approve this amount. Before we approve this amount we have to be told how it will be allocated to each district. We want clear-cut guidelines and regulations to be used in allocating the funds to youth groups.

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

The Assistant Minister for Transport (Ms. Mbarire): Thank you, Mr. Deputy Speaker, Sir. I rise to support this Motion. I wish to begin by first thanking the Minister for the Budget, which I think was well-balanced, except for a few issues. I think, it is a major step forward in terms of transparency in how money is allocated.

I wish to say that I am extremely happy about the allocation of Kshs1 billion to the Youth Enterprise Fund. I think for a very long time, young people have been without anyone to look up to. The youth in Kenya have ended up being very frustrated and depressed, because there are few job opportunities for them. Therefore, their certificates do not mean much. The youth of this country are employed for very little money. Their dreams are quashed because nobody is looking after them. With the Kshs1 billion, we are beginning to see a Government that is becoming more sensitive to the plight of the youth. But this amount is not adequate. We need to allocate much more for this purpose. If anything, I would have wanted to see less money being allocated to the Department of Defence and, at least, Kshs5 billion allocated to the youth, because that is where the real problem is.

Mr. Deputy Speaker, Sir, we had a National Youth Policy Paper pending before the Cabinet for three and a half years. Finally, at the end of last year it found its way to Parliament. But, up to now, we have not had an opportunity to discuss it. I now understand that it has been withdrawn so as to be re-looked at. How much more time do we need, as a Government, to come up with a national youth policy? It is this policy that gives guidelines on how the youth should be empowered. It also shows the commitment of the Government to youth-related issues. We need that policy because it would give guidelines as to how the Youth Enterprise Fund should be managed. Over and above that, we need to see clear and transparent criteria on how this Kshs1 billion is going to be allocated to the various districts, and who in the district is going to benefit from this Fund. We should also know what it is a young person, or a youth group, needs to do to be able to qualify for that Fund. If this money is not transparently managed, it could have a very bad effect on the Government. The youth are waiting with anxiety. They want to see how this money will be used, because they want to benefit from it.

But before we even get to the point where we will be giving the money to the youth, and this is the issue of criteria and a proper policy on how this Fund is going to be managed, we need to empower the many young people out there in terms of giving them skills. We have youth polytechnics which have been allocated Kshs150 million to enable them to build the capacity of young people, so that they may begin their own income-generating activities. But we need to find out how soon these polytechnics are going to be re-equipped, as we were told. We also need to find out what kind of skills are going to be imparted by these polytechnics. We know very well that many of them have closed down. We also know that the tutors in these polytechnics are not properly remunerated and, therefore, they do not have the morale to impart the skills to the students. Therefore, we need to look at the issue of youth, or village polytechnics as they are popularly known, in a wholesome way. We need to ensure that we have enough teachers who are

paid well.

Over and above that, I think it is not enough to just impart skills to young people. We need to think of how they can get simple business management skills. As we give them money, we need to be sure that this money will be properly used and that, it will bring benefits to the young people. They need to have simple accounting skills. Therefore, the Ministry of Youth Affairs needs to look at the entire Fund in a very open manner and ensure that they look at all the issues that will enable it to be run well and get back returns for our investments as a Government.

Mr. Deputy Speaker, Sir, beyond looking at the skills, we also need to think about how we can market the products that the young people will come up with. How do we even ensure that there is no duplication of activities across the country on one particular aspect while others are being left out? How do we encourage innovativeness on the part of the young people? I think this needs to be looked at. We need a clear marketing strategy on how we will ensure that the goods that are produced by the youth groups get to the market centres.

Mr. Deputy Speaker, Sir, until we have a proper policy for these funds, I think we should not release the money. We must set clear guidelines and criteria. This must be done alongside the improvement of the current youth polytechnics.

I also wish to add my voice to the issue of certificates for young people who leave secondary school. Many young people today cannot get jobs or go to tertiary institutions because they are lacking certificates due to non-completion of school fees. I think the Government needs to come up with a policy to have these young people access their certificates. The Government has propped up collapsed parastatals and State corporations. We also want the Government, in the same spirit, to come out and give money to clear these school fees arrears so that young people can get their certificates. Unless they get their certificates, even with this Youth Enterprise Fund, they may never benefit from it.

Mr. Deputy Speaker, Sir, allow me to go further and say that I think much as the Minister talked about reducing tax on diapers and other napkin products for babies, I think women were not properly taken care of in this Budget. When you talk about diapers, you are thinking about a working mother who can afford a diaper. I want to talk about the women in the villages who probably do not even know what it means to go to a shop and buy a diaper. They may not even know it exists. These women provide 80 per cent of agricultural products. But at the end of the day, they cannot claim the money as their own.

Mr. Deputy Speaker, Sir, it is high time the Government looked at ways of encouraging women farmers by ensuring that money earned from their hard labour returns back to them. In particular, I would like to talk on behalf of women who are in dairy farming. The Government should provide credit facilities to women to buy dairy cattle. They will repay those loans by selling the milk products. There are many women out there who would like to own cattle, a cash crop or to have money in their pockets at the end of the month. They do not want to labour and at the end of the month, the money only goes to their husbands. So, the Government should start looking at women more clearly and as a critical constituency with which to work, if they truly want to reduce poverty levels.

Mr. Deputy Speaker, Sir, we also need to look at farming more seriously. I think most hon. Members have spoken about this issue before me, and they have said that the Ministry of Water and Irrigation needs to come out with a clear policy on how they will ensure that there is water harvesting during the rainy season; and also ensure that this water is used for irrigation in the Arid and Semi-Arid Lands (ASALs).

With those few remarks, I beg to support.

Mr. H.M. Mohamed: Thank you, Mr. Deputy Speaker, Sir. I would also like to join my colleagues by making some comments on the Budget Speech.

When the Minister was presenting the Budget, I thought I was in a campaign rally. It was totally addressing a campaign rally and it did not have anything meaningful for our people. When I looked at the Minister's Speech later, I realized that the whole idea was to collect more and more taxes. That is exactly what the Budget was all about. The Minister introduced the capital gains tax which was abolished many years ago. This will discourage investors, especially those in the real estate business. When you sell your property, 3 per cent of the total price of your property is retained as tax. That is a lot of money! So, if you are in real estate business and you sell several houses, a lot of your money will be retained by the Government. I think that is very unfair.

Mr. Deputy Speaker, Sir, on the issue of VAT, hotels and restaurants will also pay an extra 2 or 3 per cent extra in VAT. I think the Minister wanted to make people happy so that the Government can be voted back to power next year. I think the fuel levy of Kshs3.20 on every litre of fuel sold in this country has spoiled everything for the Government. The increase in fuel levy touches on almost every sector of our lives. This will make the prices of foodstuffs, transport and other items to go up. Therefore, the increase in the amount of money chargeable per litre of petrol for the Fuel Levy Fund does not have anything meaningful.

Mr. Deputy Speaker, Sir, the Minister has proposed to sell some Government vehicles. That is rubbish because a second-hand Mercedes Benz car today goes for less than Kshs1 million. If Government vehicles are offered for sale today, they will all be sold at throw-away prices. That is wrong. I suggest that the vehicles should be taken away from Ministers, Permanent Secretaries and other senior officers, and given to the Police Department, hospitals and other public institutions which require them, so that they can carry out their duties effectively. Many hospitals do not have vehicles.

Mr. Deputy Speaker, Sir, the creation of the Youth Fund is a good idea. However, the money should be allocated to specific projects. If the Kshs1 billion voted for the youth is not disbursed to specific projects countrywide, it will end up being given to one district or one constituency. Therefore, we must divide this money among the constituencies. The Kshs1 billion should be disbursed equally to the 210 constituencies. Otherwise, the whole amount will end up in one district or in two or three constituencies.

Mr. Deputy Speaker, Sir, the Constituencies Development Fund (CDF) has done some good to the country. We must congratulate the Government for the good things it has done. We passed the CDF Act in the previous Parliament but the Government in power then did not want the money released to the constituencies. One good thing that this Government has done is releasing this money to the constituencies. I also want the allocation for the CDF increased. The current 3 per cent of the National Budget allocation is little. It should be increased to, at least, 5 per cent, so that each constituency can get a good amount of money.

An hon. Member: It should be increased to 7 per cent!

Mr. H.M. Mohamed: Mr. Deputy Speaker, Sir, it should be increased to, at least, 5 per cent to begin with. We can later on have it increased to 7 per cent, so that we can get good money for the development of our constituencies.

Mr. Deputy Speaker, Sir, we have used the CDF money to build health centres and dispensaries in our constituencies. Unfortunately, these institutions have not been provided with personnel or medical supplies. Therefore, the Ministry of Health should employ more nurses, clinical officers and doctors to man these institutions.

I do not understand why the Government cannot employ 10,000 nurses. The salaries paid to this cadre of medical staff are, really, peanuts. A nurse is only paid about Kshs12,000. Why can the Government not employ 10,000 nurses to man these institutions, instead of hiring people whose duties are unknown, and who earn between Kshs400,000 and Kshs3 million? Therefore, we want the Government to employ more medical personnel, so that the people can get the services they

need.

Mr. Deputy Speaker, Sir, the Government should employ more police officers to improve security. If we improve the security situation, more investors will come to Kenya. Business opportunities will be created, some people will get rich and many more people will be employed. We want to advise the Government to employ more police officers so that people can be served well. The police officers should then be given the facilities they require to work. If you visit most police posts in my constituency, you will find that most of them do not have vehicles and wonder how the officers operate. On the issue of infrastructure, we would like to see the Government investing more in roads, airports and electricity. Those are the areas in which the Government should invest its money.

The roads in my area appear the same way they were when God created the earth. They are paths which are created out of cutting down trees. The roads are created after bush clearing. The Government should, therefore, invest in the infrastructure of the country.

With those few remarks, I support.

The Minister for Housing (Mr. Shitanda): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to join my colleagues in congratulating the Minister for Finance for a Budget which has been roundly praised as being poor-friendly. I have a few issues I would like to comment on, which came out in the Budget. First, I would like to talk about the shift in taxation in the sugar industry, the Sugar Development Levy, which has been shifted from the consumers to the growers. I believe that the shift of that particular levy to farmers will only increase the burden on the sugar-cane farmers besides other taxes that they are subjected to. The Sugar Development Levy, as much as it is being shifted to farmers, may not benefit farmers just as other taxes which are applied in the sector.

Mr. Deputy Speaker, Sir, the Kenya Sugar Board has been collecting a lot of money, ostensibly, for the development of the sugar industry. However, if you assess what has been done on the ground, you will see that billions of shillings which have been collected have not benefitted farmers in any way.

The Sugar Development Levy has been put under the disposal of millers. Millers have been benefitting from the levy. However, shifting the tax from consumers directly to farmers will be a big burden because farmers are already paying an accumulated tax of 26 per cent. When we shift 7 per cent to the farmers, they will end up paying a total of 33 per cent in form of tax.

Mr. Deputy Speaker, Sir, a farmer whose gross income is Kshs2000 per tonne has to pay cess, Value Added Tax (VAT), transport and now, the Sugar Development Levy. In simple arithmetic, a sugar-cane farmer in Busia District who used to deliver his cane to Mumias Sugar Factory before the introduction of the Sugar Development Levy ended up with Kshs400 per tonne. With an additional 7 per cent deduction from his income, I do not see the sugar industry surviving. When you look at the total sum of taxation vis-a-vis what the farmer takes home, there no incentive for anybody to go into sugar-cane farming. That industry has gone through a lot problems in the past. For a very long time now, sugar-cane farmers have always been asking for a reduction in taxation. But to their dismay, instead of the taxation going down, it has been increased. The Minister for Finance should have looked at other ways of raising the revenue required to run this country.

Mr. Deputy Speaker, Sir, sugar-cane millers announce huge profits every year. Last year, the profit of Mumias Sugar Factory stood at Kshs2 billion. Those are the funds the Minister for Finance should have targeted. He should have looked at the possibility of taxing companies that are making abnormal profits, instead of going for the poor farmers.

Mr. Deputy Speaker, Sir, let me say something about the Bursary Fund. While it is a good

idea to put the Bursary Fund together with the Constituency Development Fund (CDF), I am foreseeing a lot of problems. First of all, the rules governing the disbursement of bursary funds are different from those that are used in the CDF. Bursary funds have been allocated by the Ministry of Education on the basis of the number of students in each constituency. So, if we say that bursary funds will be disbursed through the CDF without taking into account the number of students in each constituency, some constituencies are going to be disadvantaged. That is because the formula used in the allocation of funds from the CDF is different from Bursary Fund. The Minister should look into that before he passes on that load from the Ministry of Education to the already overburdened CDF.

Mr. Deputy Speaker, Sir, still on CDF, we have issues of roads. It is good that funds meant for roads are being transferred from the districts to the constituencies. While we welcome that, we would like to appeal to the Ministry of Roads and Public Works to assist constituencies by employing more roads engineers. Even though they will be based at the district level, their main work will be in the constituencies. Transferring those funds from the District Roads Committees (DRCs) to Constituency Roads Committees without availing staff to deal with technical issues will create a lot of problems in the constituencies.

Mr. Deputy Speaker, Sir, we welcome the introduction of a Youth Fund. It is a very noble idea. But my only hope is that the Fund will not be administered through the infamous Provincial Administration. It is my hope that the Ministry of Youth Affairs will come up with modalities of disbursing those funds to the constituencies or districts.

Mr. Deputy Speaker, Sir, let me talk about the housing sector. Very little was mentioned about that sector in the Budget. But since budgeting is an ongoing process, I hope the Minister for Finance will address some of the issues affecting that sector. We have problems of home ownership especially in urban areas. We had hoped that the Minister would address the plight of first home owners, home developers and estates developers through tax incentives. That would encourage most low and middle-income earners to own houses.

Mr. Deputy Speaker, Sir, we have heard a lot about insecurity. A substantial amount of money has been allocated for security issues in this country. I urge the relevant organs of Government concerned with security to devise some home-grown solutions to security situations in some areas.

Mr. Deputy Speaker, Sir, we need to address the rate of turnover in the police force. So many police officers are being sent home every week on disciplinary grounds.

With those few remarks, I beg to support.

Mr. L.M. Maitha: Thank you, Mr. Deputy Speaker, Sir. I wish to comment on the Budget. This is the fourth Budget by the NARC Government. It has been regarded as the best so far, although that one should be put in quotes. It has been made with the assumption that the economy has grown by 5.8 per cent. However, that is not reflected on the ground.

Mr. Deputy Speaker, Sir, I wish to support the views of my colleagues that this Budget was basically political. However, it has not even taken more than a week for Kenyans to realise that, virtually everybody is heavily taxed. The poor are feeling the consequences now. Increment of fuel prices does not help the poor. Today, a constituent from Malindi, who used to pay Kshs800 to travel from Malindi to Nairobi, has to pay Kshs1,200. That is, so and yet this Budget is said to be pro-poor. It has not helped that constituent! Kenyans will be forced to cough more to buy foodstuffs because of fuel prices. Such Kenyans have not been assisted by this Budget. So, I join my colleagues in saying that it was a mistake to increase the price of fuel.

Mr. Deputy Speaker, Sir, all the same, there are key areas which I feel the Government has neglected. Kenya is an agricultural country. We have just come out of a very bad drought and we thought that this country had learnt a lesson. This Budget was supposed to address many of those

issues. In Coast Province, more than half of the citizens do not have land security. They are settled on land that is privately owned by absentee landlords. The Minister for Finance, who was formerly in charge of land, had been promising land reforms. But there is nothing in the Budget to indicate that the Government will invest heavily to back land reforms.

Mr. Deputy Speaker, Sir, the Government has said that it is going to honour the title deeds owned by the absentee landlords. How do you expect the citizens who are living on land that does not have any security to engage in meaningful agriculture? The Government, for the fourth year running, has deliberately condemned our people into slavery. It has isolated them from participating meaningfully to the growth of our economy. I believe that the consequences of this are yet to be seen fully.

The Minister has severally promised to enhance the Settlement Fund Trustee (SFT) through the Budget, so that the Government can acquire land and allocate it to our citizens. That did not happen. We feel that this Budget does not augur well, especially for the coastal residents. On the same note, we have given many examples of our neighbouring countries which are deserts, which have food security. Egypt is one of them. It is a shame that we import oranges and milk from Egypt. I thought that the Minister would set aside some money for the development of the Tana River and Athi River basins.

Most parts of Eastern and North Eastern Provinces are fertile. We need to invest heavily and supply water to those areas in order to produce enough food and have food security. Eastern Province is not as dry as Egypt and Algeria are. There is provision for this in the Budget. Maybe some people are doing business when there is drought in this country and, therefore, they have no intention to address the issue of food security.

Year in, year out, millions of cubic metres of water continue to flow into the Indian Ocean. Everyday, we talk about this issue in this House, but the people who are involved in decision-making never address it. They must be benefitting when our people are distressed.

Mr. Deputy Speaker, Sir, Kenya is an agricultural country. We are still far from industrialising, but we need to expand the economic base. There is one industry which has been neglected; the fishing industry. Kenya has about 600 to 800 kilometres of coastline. Along that coastline, and within our exclusive economic zone, there is a multi-billion fishing industry by foreigners. Last week, I asked a Question on this issue and I thought that the Government would do something to empower our people to engage themselves in fishing. There is nothing to reflect that in the Budget. Fishermen need proper fishing gear in order to fish effectively. Until when are our people going to use crude nets? We have licensed foreigners to harvest our fish and marine resources along our coastline.

Mr. Deputy Speaker, Sir, everyone knows that this is a big industry in Canada, the United Kingdom (UK) and the United States of America (USA), and yet it has been left in the hands of foreigners. Year after year, the Budget does not address it. I feel the Minister for Finance is not serious when we talk about expanding the economic base of this country.

Mr. Deputy Speaker, Sir, there is the issue of the collapsed industries. I commend the Government for having re-opened the Kenya Meat Commission (KMC) this week. That is a positive sign, but again there is another side of the coin. This Government is deliberately pursuing selective development. The Government so far has re-opened the Kenya Co-operative Creameries (KCC), but KCC had branches everywhere which have not been re-opened. We have KCC in Mariakani which only needs Kshs30 million to re-open. This is the fourth year, and yet it has not been re-opened. We have the KMC branch in Mombasa and this is the fourth year and it has not been re-opened. Why is it that all the industries in the Coast Province are deliberately left to rot and die? Is it a deliberate policy of this Government to disempower the coastal people so that it might continue having a political advantage over us?

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Deputy Speaker, Sir. Is it really in order for hon. L.M. Maitha to mislead this House that it is the fourth year since the KMC branch in Mombasa has not been re-opened when it is on record that the Minister for Livestock and Fisheries Development promised on Monday that it will be re-opened before the end of the year?

Mr. Deputy Speaker: You are out of order, Mr. Kenneth! That is a very good point of information.

Proceed, Mr. L.M. Maitha!

Mr. L.M. Maitha: Mr. Deputy Speaker, Sir, I think the Assistant Minister did not hear me properly. I said it is the fourth year of the NARC Government which came into power with the promise that it was going to re-open all these collapsed industries, and it has not done so. I said clearly that the KMC was opened this week. I think KCC was opened about two to three years ago and we have a branch in Mariakani which needs only Kshs20 million to re-open, which this Government does not have. It might have money to protect the Armenians, but not to open our industries.

(Laughter)

Mr. Deputy Speaker, Sir, therefore, this issue of collapsed industries is being viewed differently. We look at it as selective development. The Assistant Minister for Finance has said that the Mombasa branch of KMC will be opened shortly. Well, we have heard about that so many times. We shall only believe it when we see it re-opened. The Government has been telling us that the Kenya Cashewnuts Factory will be revived but nothing has been done to date.

With those few remarks, I support.

Mr. Mwanicha: Mr. Deputy Speaker, Sir, thank you for giving me a chance to contribute to this Motion. Like many hon. Members of this House have said, we laud the increase of the CDF kitty, but I join those who said that we need much more. I agree with hon. A.M. Mohammed who said that the minimum increase should be 5 per cent.

Mr. Deputy Speaker, Sir, the other day I was disappointed by the World Bank. The World Bank said that the CDF should not be managed through the constituencies. There is no money from the World Bank that we have seen in our constituencies, despite the fact that a lot of funds have been injected into it which were supposed to reach our constituencies. I suggest that the hon. Members of this House treat the comments by members of the World Bank with the contempt that they deserve.

Mr. Deputy Speaker, Sir, on security, funds have been allocated to the relevant Ministry but they are not translating to the ground. At the moment, in my constituency, even the policemen and the Criminal Investigation Department (CID) offices in Nyamira agree that there are guns for hire to criminals and, unfortunately, for as low as Kshs5,000 to Kshs10,000. About two to three weeks ago, a Mr. Onkoba Bironga was gunned down in his house after selling a dairy animal and sugar-cane. In the morning, the cartridges of a G3 rifle were discovered. The police who came from Nyamira District informed the public, and I was there, that there were guns available for hire in my constituency. I would like to urge the Government to move with speed and use its long hands to recover the guns which are being used to terrorise people. People are getting to a point where they do not want to work hard, to sell their animals or do business because this will be the source of their death.

Mr. Deputy Speaker, Sir, I am happy that the Kenya Meat Commission (KMC) has been re-opened. It is also worth noting that the Kenya Co-operative Creameries (KCC) is now operational, although not all branches have been revived. However, what do the people from pyrethrum

growing areas have to smile for when we know that farmers delivered their crop to the Pyrethrum Board of Kenya (PBK) and they have not been paid for it? We urge the Government to move with speed and get the funds that have been given to KMC, the National Bank of Kenya (NBK) and other institutions, to have them revived, so that the pyrethrum industry is also revived. Pyrethrum is for export and we request that even for foreign exchange earnings, this industry needs to be revived. Farmers are requesting to be paid for deliveries to the PBK. They are not asking for any funds or relief food. Whenever there is famine in this country, we know that funds are made available and Kenyans are given relief food. However, these are farmers requesting that they be paid money for their produce.

Mr. Deputy Speaker, Sir, the price of plucked tea is Kshs9 per kilogram. Out of the Kshs9, the farmer has to give the tea plucker half of that money. He remains with only Kshs4.50. The tea bonus has been dwindling from the time when farmers earned Kshs20 per kilogram to the current Kshs9 or sometimes less. The farmers are now urging the Government to revert from a situation where they have directors running their factories, so that the Government can run these factories. It is out of frustration that they are making these recommendations. This is because the Kenya Tea Development Agency (KTDA) deducts for fuel oil, which is used to dry tea in the factories. The farmers do not know how these services are procured. They do not even know how machines in the factories are procured. These include the vehicles that are used. They just see new vehicles. Tea is a perennial crop and farmers do not know what to do with it. Tea farmers are urging the Government to move with speed and look into issues that concern this industry. Much as we have seen various institutions revived, such as KMC and KCC, and for which we say this is a positive move; the next move farmers are waiting for is the revival of the pyrethrum and tea industries so that those of us who come from those areas will also have something to smile about and say: "Indeed, this Government is thinking about the plight of all farmers in the country."

Mr. Deputy Speaker, Sir, when we came here in January, 2003, we were informed that STABEX funds were going to be used to bring electricity to coffee factories. Some of us went round and identified those factories that had been earmarked and asked the people to wire them because the STABEX funds were coming. To date, we have not heard anything about the STABEX funds. In fact, I have information that we might as well forget about the STABEX funds. Many other factories in other parts of the country benefitted from the STABEX funds. In my constituency, not even one factory benefitted from STABEX funds. What exactly happens when it comes to allocation of these resources? If one factory is benefiting, the same should apply to all constituencies. We should not concentrate in one area while ignoring the others.

When we came here, I asked a Question about electrification in my constituency. We were informed of the French Phase II. I am sure that many hon. Members are aware that the French Phase II was going to bring power to our constituencies. This was about 2003. To date, the French Phase II has even fizzled out. The elections are coming next year, and we had promised our people that they will get power through the French Phase II Programme. I have two DOs, one in Manga and another one in Rigoma, who still stay in the dark, yet they are Government officers. This is the Government headquarters where there is need for electricity for the issuance of identity cards and other Government operations. This area needs to be looked into so that distribution of these resources is even throughout the country.

Mr. Deputy Speaker, Sir, Kshs11 million has been given to constituencies for repair of the roads. Some of our areas receive heavy rainfall. The murrum we put on the road can hardly stay for a week because of the heavy rainfall. We have been grading these roads until all the murrum that had been put there is completely washed away. We come from a rich loam soil region. The Government should increase allocations of funds for roads to make the roads motorable. This will enable the people to get to their homes at any time of the year, whether it is raining or not.

Mr. Deputy Speaker, Sir, let me now turn to the issue of education. The introduction of free primary education was an excellent idea and parents are very happy about it. Pupils have gone to school but there is no matching number of teachers. The ratio of teachers to pupils in schools is appalling. We are providing quantity rather than quality education. The Government needs to move fast to ensure that sufficient teachers are employed. This will enable us to give our pupils quality education.

Mr. Deputy Speaker, Sir, the Youth Enterprise Fund is also an excellent idea. I would like to thank the Government for coming up with that fund. We need funds for women as well because they are already involved in small businesses. For instance, they engage in the sale of second-hand clothes, sugar-cane and so on. This sector also needs to be funded in future.

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

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

Mr. C. Kilonzo: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

Mr. Deputy Speaker, Sir, this Budget has three parts. There is the good part, the bad part and the ugly part of it. I would like to start with the good part. First and foremost, was the increase of the CDF by 4 per cent. Although this increase fell short of what most hon. Members wanted, which was an increase of 5 to 7 per cent, it was a positive step by the Government. The relevance of the CDF is today a reality in this country. Over the last one month, the Parliamentary Select Committee on the CDF has hosted Members of Parliament from Sudan, who came here to study and see how this country has developed through the CDF. We also hosted Members of Parliament from Namibia, who were here to study the CDF. The truth of the matter is that the people of this country are now able to benefit from their taxes through the CDF. It has created employment and allowed Members of Parliament to respond to their people's needs.

The other good part of the Budget was the increase of the road funds to constituencies from Ksh6 million to Kshs11 million. Most important was the direction that these funds be channelled through the CDF. We always get money through the District Roads Engineers, but do not know what happens thereafter. Another good side of the Budget is the reduction of Government motor vehicles for senior civil servants and Ministers. In the Narc Government, Ministers, and even Assistant Ministers, have chase cars. They have one car to clear the traffic, another one before the Assistant Minister or Minister, the one occupied by him, and another car immediately behind and another beside him.

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Deputy Speaker, Sir. Could the hon. Member, who is my good friend, substantiate which Assistant Minister has chase cars?

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, I am not obliged to respond to the obvious.

Mr. Deputy Speaker: Mr. C. Kilonzo, are you talking about Ministers or Assistant Ministers?

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, let me withdraw and limit my self to Ministers.

The Assistant Minister for Finance (Mr. Kenneth): On a point of order, Mr. Deputy Speaker Sir. Could the hon. Member withdraw and apologise?

Mr. Deputy Speaker: Mr. C. Kilonzo, I am not sure about the Ministers, but as far as Assistant Ministers are concerned, you have exaggerated your statement. Could you withdraw it and continue. We have no time to waste on this matter.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, I withdraw and apologise. We know that the Government spends a lot of money to maintain vehicles.

Another good part of the Budget is the allocation of Kshs200 million to revive the Kenya Meat Commission (KMC). This is a very good action by the Government. The other issue is the

reduction of duty on bicycles. This was a move in the right direction. The other very important thing was the establishment of the Youth Enterprise Fund, to which Kshs1 billion was allocated. I want to urge the Government to ensure that this money is allocated impartially. We all know what the Ministers have been doing in allocation of resources. When funds come, they tend to favour their fellow Ministers.

The bad part of the Budget is the issue of withdrawal of employers' contributions to retirement schemes. In this regard, the Minister only proposed to avail funds to only those people leaving the country for good. It would have been much better if he reduced the mandatory retirement age from 55 to 45. We know that a retiree can use pension contributions to start a business. Why should you avail retirement funds at the age of 55 years when the life expectancy in this country is 46 years? The current tax on rent from residential property is 30 per cent. That has made most landlords think of evading taxation by all means. It would have been better if this rate was reduced to, perhaps, 15 per cent in order to encourage property owners just to walk to the KRA offices and pay the tax.

With regard to the road licence which was scrapped recently, the assumption by the Minister for Finance is that it only served the purpose of tax collection. By doing away with the road licence it means that even the log book is not really an important document. If your car is stolen today, all one needs to do is to pay insurance for the vehicle and put it in on the road. The Government has no means of verifying the authenticity of the vehicles on the road as far as ownership is concerned.

Increasing the Roads Maintenance Fuel Levy was a bad move. This means that the cost of transport, production and consumables will increase too. The Minister said that he was going to improve the management of the money provided in the Budget and avoid duplication. He also said that he was going to transfer the money set aside for bursaries to the CDF. In essence, the Minister for Finance has, indeed, scrapped bursaries. There are constituencies which were getting Kshs12 million through the Ministry of Education. Such constituencies will only be able to obtain, under the CDF Act, 10 per cent. That means that the maximum they will get will be about Kshs4 million or Kshs5 million. We need to have that money reinstated.

Again, the Government failed to address the issue of lack of water in the ASAL areas. The Kshs1.5 billion allocated for this purpose is a drop in the ocean. Where the Assistant Minister for Finance and I come from, we have one known dam called Munyu. This dam would really have helped the people of my constituency. Such a dam will require not less than Kshs10 billion to revamp.

Mr. Deputy Speaker, Sir, the ugly part of the Budget is its management. That issue has been raised here. The Government has one problem. We have been passing Budgets, and yet the funds are never utilised. Last year we had over Kshs8 billion which was returned to the Treasury from the Ministry of Roads and Public Works, the Ministry of Water and Irrigation and others. It will be very bad if the funds provided for in this year's Budget are not utilised. Another ugly part of the Budget are the continuous promises that are made to us. This Government promised to construct bypasses for us. They promised to construct the Northern Bypass, Southern Bypass, Eastern Bypass, a link road and a flyover. This is now the fourth year and nothing has been done. As I talk today, some of the roads are in very bad shape. For example, the Nairobi-Machakos Junction and Thika Road are in a bad state. We really want to see our roads being maintained to acceptable standards.

The biggest problem with the implementation of the Budget is corruption, and that is why nobody has talked about the 97.5 per cent of the Budget which remains under the control of the central Government. Many hon. Members have talked about the 2.5 per cent of the Budget because there are very few cases of corruption in the usage of this portion of money. It is our prayer that the

money allocated in the Budget will be utilised properly. You can have a good Budget, but with insecurity, it will be of no use. Insecurity in this country has reached dangerous levels and that is not unacceptable. This is the only place where a foreigner draws a gun at the airport and nothing is done to him other than being deported.

ADJOURNMENT

Mr. Deputy Speaker: Mr. C. Kilonzo, you still have two minutes if you wish to continue this afternoon. I sincerely apologise to those hon. Members who did not have an opportunity to contribute. However, we will be continuing with this debate this afternoon and, therefore, you may come and contribute.

Hon. Members, it is now time for the interruption of business this morning. Therefore, the House is adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.