

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 19th June, 2003

The House met at 2.30 p.m

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### ORAL ANSWERS TO QUESTIONS

*Question No.315*

PAYMENT OF DUES TO  
MR. ABDALLA'S DEPENDANTS

**Dr. Ali** asked the Minister of State, Office of the President:-

- (a) whether he is aware that the family of the late Mohamed Gallo Abdalla, Administration Case No.288 of 1993 has not been paid his dues;
- (b) if he is further aware that the money was wrongfully sent to the District Commissioner, Machakos; and,
- (c) what urgent measures the Minister is taking to ensure that the dependants are paid their dues.

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

- (a) I am not aware.
- (b) As my records indicate, cheque No.403810 for Kshs18,179.50, was forwarded to the District Commissioner, Wajir, via registered mail No.9440, of 2nd April, 1997.
- (c) The amount due to the dependants was paid through the deceased's brother, Mr. Hussein Gallo Abdalla, on 28 May, 1997, at the District Commissioner's Office, Wajir.

Thank you, Mr. Speaker, Sir.

**Dr. Ali:** Mr. Deputy Speaker, Sir, I am surprised because I raised the same Question in 1999 and the answer I got was that the money was sent to Machakos District. The Minister is telling me that the money was paid to the deceased's family in 1997. At that time, I was not even a Member of Parliament. Could the Minister tell us the facts because the family has not received the money yet? Where did the money go to?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, the information I have given is as per the records we hold at the District Commissioner's office.

**Dr. Ali:** Mr. Deputy Speaker, Sir, what was the amount of money paid to the deceased's brother?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, the amount that was paid to the family is Kshs18,179.50.

**Mr. Deputy Speaker:** Dr. Ali, do you have another question?

**Dr. Ali:** Mr. Deputy Speaker, Sir, I am wondering. This is somebody who has worked for

this Government for a number of years. The money I am aware of is the amount which went to the District Commissioner's office in Machakos because it was Kshs100,000. Now the Assistant Minister is saying that it was Kshs18,000.

**Mr. Deputy Speaker:** There are fears that there could be discrepancies here whereby, your information is that the money went to Machakos and the Assistant Minister is saying that the money went to Wajir. Now, Mr. Assistant Minister, what do you suggest? What is the way forward on this matter?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, I hope that the hon. Member is not mistaking the fact that the District Commissioner is entitled to administer a deceased's estate for an amount not exceeding Kshs100,000. The amount that was due to this particular person was Kshs18,179.

**Mr. Deputy Speaker:** So what happened to it? Mr. Assistant Minister, you know I am concerned about pensioners naturally. You are saying that the money which is Kshs18,000 went to the District Commissioner. Dr. Ali is saying that the beneficiary never received it. Where did the money go to?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, perhaps, I can give this information. In May 1997, Mrs. Khadija authorised her son Hussien Gallo Abdalla, through her letter dated 16th May, 1997, to collect the dues on her behalf. On 28th May, 1997, Hussein Gallo Abdalla, of identity card No.0177630 was paid money in cash, amounting to Kshs18,179.50, through voucher No.0015.

**Mr. Deputy Speaker:** Very well. Mr. Assistant Minister, now you have shed the light. Could we have the last question from Dr. Ali?

**Dr. Ali:** Mr. Deputy Speaker, Sir, I will check and confirm later if he was paid.  
(Laughter)

**Mr. Deputy Speaker:** Very well! Very well! That was the light missing. Now it is in order.

*Question No.058*

ALLOCATION OF KIMWANI ADC FARM

**Mr. Sambu** asked the Minister for Agriculture;-

- (a) if he is aware that the ADC farm at Kimwani in Nandi District was sub-divided and allocated to individuals leaving out squatters who were living in the farm;
- (b) if he could table the list of the beneficiaries indicating the acreage per individual; and,
- (c) if he could explain the criteria used in the allocation of the said farm.

**Mr. Deputy Speaker:** Where is the Minister for Agriculture? We shall come back to this Question later.

*Question No.247*

CONTROL OF CARELESS DRIVING  
ON KILIFI-MALINDI HIGHWAY

**Mr. Khamisi** asked the Minister for Transport and Communications whether he could explain what measures he intends to take to stop deaths, especially of school children, arising from overspeeding and careless driving along Kilifi-Malindi Highway.

**The Assistant Minister for Transport and Communications** (Mr. Ligale): Mr. Deputy

Speaker, Sir, I beg to reply.

(a) Though the number of accidents along Kilifi-Malindi Highway are not higher than those in most parts of the country, the following measures will be taken:

1. Speed radar machines are to be used to monitor speeding vehicles.
2. There will be enhanced enforcement of traffic rules along the road.
3. The Ministry of Roads, Public Works and Housing is to be advised to mark the roads and erect bumps at black spot areas and centres basically Mida Forest, Gede Forest, Gede-Watamu Junction, Kwa Mkikuyu, Chumani, Mabangoni and Teso Centres. Also the road between Mida and Gede Forest will be widened.
4. Traffic officers are to be deployed at strategic places to guide the children, while crossing the roads in the morning and evening in accident-prone areas and also to provide road safety education in schools and lecture drivers and public service vehicles on road safety where possible.

**Mr. Khamisi:** Mr. Deputy Speaker, Sir, I am very impressed by the kind of promises that the Assistant Minister has given me. Could he tell the House exactly when he will install these facilities and when he will instruct the Ministry of Roads, Public Works and Housing to actually mark these black spots?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, we have already informed the Ministry of Roads, Public Works and Housing and they have undertaken to organise seminars and workshops.

**Mr. Khamisi:** When?

**Mr. Ligale:** They have undertaken to do this as soon as possible.

**Mr. Shitanda:** Mr. Deputy Speaker, Sir, could the Assistant Minister confirm to this House that his Ministry is unable to control and co-ordinate the behaviour of *matatus* in this country?

**Mr. Ligale:** I cannot say we have failed, but all Members of this august House do know that we have a problem with *matatu* drivers. It is a culture that our people have developed over the years and one which we are trying our best to try and eradicate. It will take time, but we are trying our best.

**Mr. Sasura:** I am really surprised that the Minister is saying that all Members of this august House are aware that we have a problem with *matatu* drivers and that the behaviour of *matatu* drivers has become a culture. Is the Assistant Minister saying that there are no laws in this country, while in Uganda this kind of behaviour is under control? Is he suggesting that there are no laws in this country that can be enforced? Which is superior; culture or the law of this country?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, we do have laws, but once a culture has been embedded in people, it is not that easy to eradicate it. We are trying to enforce the laws right now.

**Mr. L.B. Maitha:** Mr. Deputy Speaker, Sir, many of the accidents happening today are caused by unroadworthy vehicles. There are so many unroadworthy vehicles on the road operating as public service vehicles. What is the Ministry planning to do to remove these vehicles from the road because they are endangering people's lives?

**Mr. Ligale:** In my original reply, I did indicate that the police have been instructed to patrol vigorously. Part of their responsibility is to ensure that any unroadworthy vehicles are removed from our roads.

**Mr. Khamisi:** Mr. Deputy Speaker, Sir, the Kilifi-Malindi Road is heavily potholed. Could the Assistant Minister assure this House that he will co-ordinate with the Minister for Roads, Public Works and Housing to make sure that these potholes are filled soon?

**Mr. Ligale:** I can confirm that, Mr. Deputy Speaker, Sir.

*Question No.330*

STRATEGIES TO AVAIL WATER  
CLOSER TO HOMES

**Ms. Mwau** asked the Minister for Water Resources Management and Development since water provision for the family in both rural and urban areas is a role for women, what strategies the Ministry is putting in place to make sure that women have access and control of water close to their homes.

**The Assistant Minister for Water Resources Management and Development** (Mr. Munyes): Mr. Deputy Speaker, Sir, I beg to reply.

I am aware that in both rural and urban areas, water provision has been traditionally the role of women. However, in order to ensure that women have access and control of water close to their homes, my Ministry has embarked on implementation of water sector reforms and strategies as follows:

1. Handing over community water schemes to well prepared project committees in which there is gender balance.

2. Provide funding through the newly established Water Trust Fund. To construct new water projects and rehabilitation of existing ones to bring water closer to the homes.

3. In arid and semi-arid areas where women face most hardships, my Ministry has planned to drill boreholes and construct dams and pans that will bring water closer to the communities.

4. In urban areas, my Ministry will be undertaking a major programme of rehabilitation of infrastructure and implementation of management options that will improve water services provision, in line with the Water Act 2002 and also ensure that the poor can afford the water services through an appropriate tariff policy.

**Ms. Mwau:** The Ministry has embarked on reforms. Do you have policy guidelines that will make sure that women have access to the committees of the Trust Fund? Are you also putting in place guidelines to make sure that women are also trained as technicians so that if boreholes break down, they do not have to run to get help elsewhere? You can talk of gender balance, but what strategies are you putting in place to make sure that women have access and control of the water?

**Mr. Munyes:** The hon. Member has spoken of the water policy which is actually The Water Act, 2002.

*(Loud consultations)*

**Mr. Deputy Speaker:** Order, hon. Members! Consult quietly.

**Mr. Munyes:** I was saying that the policy is The Water Act, 2002. What we are doing to ensure the services are closer to women is that we are trying to be gender-balanced in anything we do. For instance, while handing over community projects, we ensure that half the membership of the committees are women. In arid areas where we face bigger problems, where women walk long distances, we will ensure that there is enough water in these areas by drilling boreholes and constructing dams. We will drill and rehabilitate 500 to 1,000 boreholes per year in those areas so that women can be closer to those water sources.

**Dr. Shaban:** Bw. Naibu, Spika, mambo ya maji ni mambo muhimu sana katika nchi hii yetu na dunia nzima kwa jumla. Maswala mengi ya afya na matatizo mengi tuliyo nayo kuhusu afya, chanzo chao huwa ni ukosefu wa maji. Tuna uhakika gani kuwa hata yale maji ambayo tunayapata ambayo ni machache na yale ambayo mnataka kutuletea baadaye ni masafi na yakitumiwa na watu, hawataambukizwa magonjwa yanayobebwa na maji? Magonjwa mengi kama typhoid, dysentery na bilharzia yanatokana na maji. Je, Wizara hii ya Maji inafanya nini kuhakikisha kuwa maji yale yanayofikia wananchi, na hasa akina mama wanaobeba hili tatizo kubwa zaidi, wanabeba pia tatizo la afya ambalo linahusu swala la jamii?

**Mr. Munyes:** Mr. Deputy Speaker, Sir, we will ensure that water taken by our public will be safe; by treating it. At the same time, we will ensure the provision of boreholes so that people do not get water from rivers and stagnant water. That is why we have ensured that we will drill enough

boreholes in many areas in the country.

**Mr. Karaba:** Mr. Deputy Speaker, Sir, recently, we read in the newspapers that we need not take tap water in Nairobi and other towns in this country. Is the Assistant Minister assuring us that we can now drink tap water?

**Mr. Munyes:** Mr. Deputy Speaker, Sir, that was an issue with the previous Government. However, the NARC Government will ensure that there is enough chemicals to treat our water. We will provide enough clean water to the people.

**Mr. Deputy Speaker:** Last question, Ms. Mwau! If you do not have a question, I will give this chance to Mr. Mukiri. Do you have a question?

**Ms. Mwau:** Yes, Mr. Deputy Speaker, Sir. Could the Assistant Minister ensure that gender-sensitive policy guidelines are put in place?

*(Loud Consultations)*

Could you protect me, Mr. Deputy Speaker, Sir?

**Mr. Deputy Speaker:** Order! Hon. Members, could you, please, listen to Ms. Mwau?

**Ms. Mwau:** Mr. Deputy Speaker, Sir, could the Assistant Minister ensure that gender-sensitive policy guidelines are put in place so that women can participate fully in the water sector?

**Mr. Munyes:** Mr. Deputy Speaker, Sir, we already have a female Minister in the Ministry of Water Resources Management and Development. That shows we are already gender-balanced in this Ministry.

**Dr. Ali:** On a point of order Mr. Deputy Speaker, Sir. Is the Assistant Minister telling us that the Minister for Water Resources Management and Development is not capable of performing her duties, and that she was appointed Minister just because she is a woman? Is that what he is telling us?

*(Laughter)*

**Mr. Munyes:** Mr. Deputy Speaker, Sir, that is not what I said. I said the fact that we have a female Minister in the Ministry is an indication that we are gender-sensitive. So, we will address these problems. So, the issue of women not taking part in development does not arise.

**Mr. Deputy Speaker:** Very well. For the second time, Mr. Sambu's Question.

*Question No.058*

#### ALLOCATION OF KIMWANI ADC FARM

**Mr. Sambu** asked the Minister for Agriculture:-

- (a) whether he is aware that the ADC farm at Kimwani in Nandi was sub-divided and allocated to individuals leaving out squatters who were living in the farm;
- (b) whether he could further table the list of the beneficiaries indicating the acreage per individual, and;
- (c) in view of the above, whether he could explain the criteria used in the allocation of the said farm.

**The Minister for Livestock Development (Mr. Munyao):** Mr. Deputy Speaker, Sir, I beg to apologise, on behalf of the Minister for Agriculture, for not being in the House when the Question was called out. However, I beg to reply.

(a) I am aware that the ADC farm at Kimwani in Nandi was sub-divided and allocated to individuals in 1993---

**Mr. Shitanda:** On a point of order, Mr. Deputy Speaker, Sir. Has the Minister been sworn-in?

**Hon. Members:** Yes!

*(Laughter)*

**Mr. Shitanda:** Mr. Deputy Speaker, Sir, we are not aware as to whether he has been sworn-in or not.

**Mr. Deputy Speaker:** Order! Even if he has not been sworn-in he is still in that docket.

Continue, Mr. Munyao!

**The Minister for Livestock Development** (Mr. Munyao): Thank you, Mr. Deputy Speaker, Sir. I will repeat---

**Dr. Godana:** On a point of order, Mr. Deputy Speaker, Sir. The Minister cannot be in that docket because by virtue of the appointment to his substantive portfolio yesterday, automatically, the earlier portfolio ceased. The Constitution provides that a Minister or an Assistant Minister shall not enter upon the duties of office until he has taken the Oath of Office. Has he taken the oath?

*(Applause)*

**Mr. Deputy Speaker:** Order! Mr. Munyao was sworn-in as the Assistant Minister for Agriculture and Livestock Development. That still stands to date.

**Hon. Members:** No!

*(Dr. Godana stood up in his place)*

**Mr. Deputy Speaker:** Could you, please, sit down, Dr. Godana? You stand in your place and when I give you the permission that is when you go to the microphone! You do not just walk to the microphone.

**Mr. Wanjala:** On a point of order, Mr. Deputy Speaker, Sir. I have a list of those hon. Members who were appointed to the Cabinet yesterday. On this list, they said the appointments took effect immediately. Therefore, the Minister has not been sworn-in.

*(Dr. Godana walked to the microphone)*

**Mr. Deputy Speaker:** Order! Dr. Godana, I am just cautioning you that when you want to rise on a point of order, you stand where you are and only when you catch my eye and I give you permission, you may walk to the microphone. Please, avoid going to the microphone because if you do that again, I will not allow you to speak. Now, I am giving you permission!

**Dr. Godana:** Thank you, Mr. Deputy Speaker, Sir. I think it is important to note that this House is the supreme institution in our Constitution. It should be the last institution, if ever, to be seen to infringe the Constitution.

**Mr. Deputy Speaker:** Could you raise your point of order?

**Dr. Godana:** Mr. Deputy Speaker, Sir, Section 20(1) of the Constitution says:-

" A Minister or an Assistant Minister shall not enter upon the duties of his office, unless he has taken and subscribed to the Oath of Allegiance and such oath for the due execution of his office as may be prescribed by Parliament."

Mr. Deputy Speaker, Sir, the moment Mr. Munyao was appointed the Minister for Livestock Development, automatically, his appointment as an Assistant Minister for Agriculture and Livestock Development ceased. With that, the validity of the oath which bound him as the Assistant Minister also

ceased. He has to swear a new oath before he answers the Question. Other Ministers can answer the Question.

*(Applause)*

**Mr. Deputy Speaker:** Order! That is your interpretation. This is the ruling from the Chair---

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

**Mr. Deputy Speaker:** Order! I will have no more of that. You cannot just jump up when I am speaking, Dr. Khalwale. There are rules in this House. Can we hear Mr. N. Nyagah?

**Mr. N. Nyagah:** Mr. Deputy Speaker, Sir, my point of order arises from what Dr. Godana has said. In this particular case, Mr. Munyao is not a brand new appointee to the Cabinet. Should he have been a new appointee who had not taken the Oath of Allegiance, he would not have stood here to answer the Question. However, since he took oath as the Assistant Minister for Agriculture and Livestock Development, in this case, the Chair should allow him to answer this Question.

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

**Mr. Deputy Speaker:** Order!

**The Assistant Minister for Planning and National Development (Mr. Kombo):** Mr. Deputy Speaker, Sir, arising from all this hullabaloo, an oath is binding until it is undone. In this case, the oath that Mr. Munyao took as an Assistant Minister is still binding until he takes another oath.

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

**Mr. Deputy Speaker:** Order! This debate can only be stopped when the Chair rules. I, therefore, make a ruling that the Mr. Munyao was sworn-in as the Assistant Minister for Agriculture and Livestock Development. That oath is still valid to date. He has the permission of the Chair to answer the Question for the Ministry of Agriculture because he was sworn on that.

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

**Mr. Deputy Speaker:** Order! No more points of order. Proceed Mr. Munyao!

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

Order! Will you sit down? There will be no more points of order on this matter. If you wish to question the ruling of the Chair, you know the right procedures. The Chair has already made a ruling. Anyone going against the Chair's ruling is being disorderly to the Chair.

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

**Mr. Deputy Speaker:** Dr. Ali, I am going to send you out!

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

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

**Mr. Deputy Speaker:** Order! Order! There are no more points of order from you!

**Mr. Sangu:** On a point of order, Mr. Deputy Speaker, Sir. I want to suggest the way forward; that you reserve your ruling until a later date. This is a constitutional matter and it is very important. As much as we love you, we do not want to make mistakes in this House because this is the National Assembly of the Republic of Kenya. We do like the Minister and we want him to answer the Question but, as of now, he is still in limbo having ceased his position as Assistant Minister and not

being officially sworn-in as a Minister. That is the position. I would like to appeal to the Chair---

*(Applause)*

**Mr. Deputy Speaker:** Order! Order! Mr. Sungu, I have heard you and I appreciate your point of order just like I do appreciate the points of order raised by these other hon. Members. But as I said, hon. Members, the Chair has ruled---

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

**Mr. Deputy Speaker:** Order! If there is---

**Dr. Godana:** On a point of order, Mr. Deputy Speaker, Sir. I sat on that Chair for five years, having been unanimously elected by the first multiparty Parliament and I know the rules---

**Mr. Deputy Speaker:** What is your point of order?

**Dr. Godana:** Mr. Deputy Speaker, Sir, it is a matter of the dignity of this House and how the public outside judges whether we bend the rules at will, or whether, indeed, we are a worthy group of Parliamentarians who know what fundamental rules, such as the Constitution, are. Would I be in order to plead with you, and with the hon. Minister, that we defer the matter and the Minister himself withdraws from answering this Question until you give a reserved considered opinion? Well, if not, we do know what recourse to take. I wish we do not do that. I think it is important that the hon. Minister withdraws from answering the Question and the Chair promises to give a considered ruling.

**Mr. Deputy Speaker:** Order! Order! In view of the mood of the House, I will defer this Question, but I will still come back to you on this matter with a Communication from the Chair on Tuesday next week. I will communicate from the Chair on Tuesday on this particular matter.

*(Applause)*

**Mr. Deputy Speaker:** Order! Mr. Sambu, I would request that we defer this Question to Tuesday next week.

**Mr. Sambu:** That is okay, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** The Question is deferred to Tuesday next week.

*(Question deferred)*

## QUESTIONS BY PRIVATE NOTICE

### CLOSURE OF MUMIAS SUGAR COMPANY

**Mr. Oparanya:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Agriculture the following Question by Private Notice:

(a) Is the Minister aware that Mumias Sugar Company has been closed as a result of a strike by the tractor drivers and the reduction of sugar cane price from Kshs2,015 to Kshs1,750?

(b) What action is he taking to ensure that the factory is opened?

(c) Who will compensate the farmers for the sugarcane which had already been harvested and was not collected?

Mr. Deputy Speaker, Sir, this Question was substantially answered by the Assistant Minister for Agriculture. But there was a supplementary question where the Assistant Minister was supposed to bring the details of the quantities of sugar imported into this country since 1st January, 2003, and who imported the sugar. Those are the details the Assistant Minister was supposed to bring.

**Mr. Deputy Speaker:** But in view of what we have just done to the previous Question, we will have to defer this Question since the same applies to it.



**The Minister for Livestock Development** (Mr. Munyao): On a point of order, Mr. Deputy Speaker, Sir. I handled this Question last time and it is in the HANSARD. I answered the hon. Member as an Assistant Minister and still, I am. The ability of the Minister is still available. If you still want me to answer it---

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

**Mr. Deputy Speaker:** Order, Mr. Munyao! So, it applies to even the next Question by Prof. Olweny.

*(Question deferred)*

PURCHASE OF MIWANI SUGAR  
COMPANY SHARES

**(Prof. Olweny)** to ask the Minister for Agriculture:-

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

**Mr. Deputy Speaker:** Order, hon. Members! I defer these three Questions until Tuesday afternoon when there will be a Communication from the Chair on the matter.

*(Question deferred)*

**An hon. Member:** And the other one?

**Mr. Deputy Speaker:** Yes, I said these three Questions including the one by Prof. Olweny.

**The Assistant Minister for Planning and National Development** (Mr. Kombo): On a point of order, Mr. Deputy Speaker, Sir. I do not understand how you could defer the next Question until it is asked. There might be another Minister ready to answer the Question.

**Mr. Deputy Speaker:** Mr. Munyao had informed me that he was going to answer the same. So, I knew what I was doing.

Next Question, Mr. Wambora!

TERMINATION OF MR. KAVANDA'S SERVICES

**Mr. Wambora:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Transport and Communications the following Question by Private Notice.

- (a) Is the Minister aware that Mr. Elias Njagi Kavanda, a Senior Security Officer with the Kenya Railways Corporation, has been notified of pending termination of his service from the corporation without being given any valid reasons?
- (b) Is the Minister also aware that Mr. Kavanda, in his capacity as a senior security officer, disclosed various irregularities in the corporation, such as irregularly sold plots and houses as well as disclosure of theft of sugar under the care of the corporation?
- (c) Could the Minister assure the House that Mr. Kavanda will not be victimised?

**The Assistant Minister for Transport and Communications** (Mr. Ligale): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) I am aware that Mr. Elias Njagi Kavanda, a Senior Security Officer with the Kenya

Railways Corporation, has been notified of pending termination of service. Mr. Kavanda who has been on two years' probation having been employed on 11th March, 2002, has been given valid reasons for his termination. His confirmation in service was subject to:-

(i) Production of authenticated testimonials and certificates, which he has been unable to produce despite confirmation by his previous employer; the Kenya Police, as having issued them to him.

(ii) Satisfactory work and conduct during the period of probation, which he has been unable to achieve.

(b) Like any other employee, Mr. Kavanda, as a security officer, is encouraged and obliged to reveal and point out any irregularities that may be occurring in the corporation. This goes a long way into rooting out corruption from our midst and no employee will be victimised for doing so. If he feels that he is being victimised for any information he has revealed, he should pass on such information to the police to enable the establishment of the truth.

(c) Mr. Kavanda will not be victimised, but should also abide by the relevant regulations and procedures that govern a corporation. Any steps taken will be in line with the regulations and within the terms and conditions of his employment.

**Mr. Wambora:** Mr. Deputy Speaker, Sir, I am grateful to the Assistant Minister for stating that Mr. Kavanda will not be victimised. But is he in order to tell us that Mr. Kavanda is being victimised because he did not produce his testimonials which he should have produced when he was employed last year in March? Is the Assistant Minister also aware that the letter of impending termination does not give any reason for the termination of Mr. Kavanda's services?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, the question was about testimonials. I have clearly said that, when Mr. Kavanda was employed, he was informed and he undertook to produce the testimonials within a given period. He did not do so, despite our checking from his previous employer and confirming that they gave them to him. On the question of reasons given, if an employer is not satisfied with your work performance, he does not have to give details. But we do have reasons why he might not be confirmed.

**Eng. Muriuki:** Mr. Deputy Speaker, Sir, the Assistant Minister has said that, that person gave documents, but they needed to be authenticated. What other authentication did they require, if the previous employer wrote to the Kenya Railways Corporation and confirmed that those documents were there?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, I did not say that he gave the testimonials. I have said that a letter was written to the previous employer to find out if his testimonials were given to him, and they said yes. Those are his documents which he has refused to divulge. It means that there is certain information he does not want to show.

**Mr. Bahari:** Mr. Deputy Speaker, Sir, one of the reasons given by the Assistant Minister, for the impending termination of service, which is a very serious action, is about his work performance. Could the Assistant Minister inform the House whether, in the two-year probation period, the employee's supervisors discussed with him the inadequacies in his work performance? If so, could he produce any substantial evidence?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, sometimes, it is best not to reveal everything about an employee's misdemeanour. In fact, that particular officer failed in a number of respects; including authorising and unprocedurally receiving money for aggregation allowance, to which he was not entitled, amounting to Kshs42,000. When that was drawn to his attention, he claimed ignorance.

Mr. Deputy Speaker, Sir, in addition, that officer has been known to harass staff working under him for divulging information about his activities that are not in the best interest of the corporation.

**Mr. Sasura:** On a point of order, Mr. Deputy Speaker, Sir. I am afraid that this Government is creating 500,000 jobs by sacking 500,000 people in the next five years.

*(Applause)*

Mr. Deputy Speaker, Sir, is it in order for the Assistant Minister to tell us that Mr. Kavanda was not informed of the reasons why he was sacked earlier, and all of a sudden, he is telling us that he misappropriated Kshs42,000? Is he in order?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, Mr. Kavanda has not been sacked! So, I do not know what you are referring to!

**Mr. Wambora:** Mr. Deputy Speaker, Sir, now that the Assistant Minister has said that Mr. Kavanda will not be victimised, and we have evidence here to show that he actually reported about the loss of sugar from Malaba to Kilindini and in the police lines. He has also made several reports on the loss of revenue by Kenya Railways, where wagons move from Malaba to Kilindini without goods! Could he promise to reinstate Mr. Kavanda for his good work upon the production of his testimonials?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, we have requested that officer to produce his testimonials and he has failed to do so. Let him do so, and improve on his performance before I give those guarantees.

**Mr. Deputy Speaker:** Mr. Osundwa, I will give you permission to ask a question, although I had said that, that would be the last question.

*(Applause)*

**Mr. Osundwa:** Mr. Deputy Speaker, Sir, if you look at part (b) of the Question, it says that, this officer was victimised because he disclosed the theft of sugar. Three years ago, Mumias Sugar Company lost sugar worth millions of shillings and investigations have revealed that the culprits have absconded. Could that officer be guided to Mumias Police Station to record a statement?

**Mr. Ligale:** Mr. Deputy Speaker, Sir, I do not think Kenya Railways is involved in that kind of activity.

**Mr. Deputy Speaker:** I cannot go on because I had already closed the Question. I only opened it for Mr. Osundwa under special circumstances. That is the end of Question Time.

## POINTS OF ORDER

### KILLING OF MR. FRANCIS MUREKA NYANKIEYA

**Mr. Omingo:** Mr. Deputy Speaker, Sir, I rise on a point of order to demand a Ministerial Statement regarding the shooting of the Late Francis Mureka Nyankieya by the police in Gucha. The old man went to pick the police to help him arrest the people he had a civil suit with and, on the way, he was murdered. I would like the Minister to tell us the circumstances which led to his death and what steps he has taken so far to arrest the culprits who committed that beastly act.

**The Assistant Minister, Office of the President (Mr. Tarus):** Mr. Deputy Speaker, Sir, I promise to issue a Ministerial Statement on Wednesday afternoon, next week.

**Mr. Deputy Speaker:** Very well. Mr. Khamasi!

**Mr. Khamasi:** On a point of order, Mr. Deputy Speaker, Sir. Last week, I asked for a Ministerial Statement from the Office of the President; to come and explain to this House, the manner in which Members of Parliament were treated during the Madaraka Day celebrations. There is no sign of that Statement being issued today. Could the Chair direct the Office of the President to make sure that the Statement issued in this Chamber?

**Mr. Deputy Speaker:** Before the Chair directs, could the Assistant Minister tell us when the

Statement will be issued?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, I have the Statement here. But being one of those who were affected, I will bring another Statement because I am not satisfied with what they have given.

*(Applause)*

**Dr. Galgalo:** On a point of Order, Mr. Deputy Speaker, Sir. Last week, I requested for a Ministerial Statement from the Office of the President. The Minister promised to issue it on Tuesday this week, but he did not. He said he would issue it this afternoon. Could he, please, issue that Statement?

**Mr. Deputy Speaker:** That was a Statement on what?

**Dr. Galgalo:** Landmines, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Do you have it?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, I have it.

**Mr. Deputy Speaker:** Very well. We are coming to you very soon. I do not think you had seen me about that. Dr. Shaban and Mr. Sambu had seen me. I do not remember others seeing me.

What is it Mr. Mukiri!

#### PLIGHT OF TOURISM INDUSTRY

**Mr. Mukiri:** Mr. Deputy Speaker, Sir, I seek a Ministerial Statement from the Ministry of Foreign Affairs and International Co-operation on the plight of the tourism industry, due to the fact that British Airways has suspended its flights to Kenya.

**Mr. Deputy Speaker:** Anybody here from the Ministry of Foreign Affairs and International Co-operation? Could a Minister take responsibility and remind them?

**The Minister for Agriculture** (Mr. Kirwa): Mr. Deputy Speaker, Sir, I do undertake to remind my hon. colleague about that particular issue and it will be responded to at the right time.

#### RECRUITMENT OF STUDENTS TO KMTC

**Dr. Shaban:** On a point of Order, Mr. Deputy Speaker, Sir. On 17th April, just before we went on recess, I had sought a Ministerial Statement from the Minister for Health, concerning the Kenya Medical Training College students' recruitment. I wish to demand that, that Statement should be issued before the list comes out in the newspapers, and then it can also be tabled in this House.

**Mr. Deputy Speaker:** Yes, I remember that, that Ministerial Statement was sought from the Ministry of Health. Do we have anybody from the Ministry of Health here? There is nobody here! Mr. Minister for Agriculture, will you inform the Minister for Health about this Ministerial Statement?

**The Minister for Agriculture** (Mr. Kirwa): Mr. Deputy Speaker, Sir, I undertake to give the information to my colleague in the Ministry of Health.

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

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

**Mr. Deputy Speaker:** Order, Mr. Kagwima! Let me finish with Mr. Sambu and then I will come to you in a few minutes time!

#### KILLING OF CHILD IN POLICE CUSTODY

**Mr. Sambu:** Mr. Deputy Speaker, Sir, yesterday I sought a Ministerial Statement from the Minister of State, Office of the President, regarding a child who was killed in a police station. The situation at home is very tense because the mother of the child happens to be a widow. In fact, the lady was arrested by police officers from Kabiyet Police Post for no crime. Could we have the Ministerial Statement from the Minister in connection with this incident?

**The Assistant Minister, Office of the President (Mr. Tarus):** Mr. Deputy Speaker, Sir, I would like to seek permission from the Chair so that I can make the Ministerial Statement next week. I know the urgency of the Ministerial Statement requested for by the hon. Member. I would like to make this Ministerial Statement next week because we had not received a feedback from the concerned authorities by this afternoon.

**Mr. Deputy Speaker:** We appreciate that the Ministerial Statement was requested for yesterday. This is a serious matter, but let the Assistant Minister make it on Tuesday, next week!

*(Mr. Munyao sat on the  
Government Front Bench)*

**Eng. Muriuki:** On a point of order, Mr. Deputy Speaker, Sir. In view of the ruling made by the Chair with regard to the status of Mr. Munyao who is, therefore, neither an Assistant Minister, a Minister nor a Backbencher, could you rule where he should sit?

*(Applause)*

**Mr. Deputy Speaker:** Order, Eng. Muriuki! That is a very trivial point of order! The Chair did not order hon. Members to sit wherever they are seated! Eng. Muriuki, you are out of order!

#### DEFERMENT OF QUESTION NO.285

**Mr. Kagwima:** On a point of order, Mr. Deputy Speaker, Sir. On Tuesday this week, the Chair ruled that Question No.285 be deferred until today, but it is not on today's Order Paper. I do not know what happened to that Question. What happened to this Question?

**Mr. Deputy Speaker:** Well, I do not know what happened but the Clerk-at-the-Table has taken note of that. He will ensure that, that Question is put on the Order Paper for Tuesday next week if it was deferred on Tuesday, this week, until today!

#### GOVERNMENT POLICY ON FREEING OF AIRWAVES

**Mr. Munya:** On a point of order, Mr. Deputy Speaker, Sir. I would like to seek a Ministerial Statement from the Minister for Transport and Communications in connection with the policy of the NARC Government on freeing of the airwaves. Freedom of information is key to development. I would like to know whether the NARC Government is encouraging broadcasting stations to expand their services and cover the whole country. Specifically, I would like to know why the Nation Television and Radio Stations have not been licensed to broadcast to the Meru districts and yet they applied for a licence from the Government. The people of Meru are waiting tune into to these stations.

**Mr. Deputy Speaker:** Very well. I will give the next five minutes to the Assistant Minister, Office of the President, to make his Ministerial Statement. Mr. Obwocha, did you request for your Ministerial Statement yesterday?

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, I would like to draw your attention to the fact that there was no Minister or Assistant Minister from the Office of the President. I do not know whether they have the information that the body of Mr. Jeff Ongwae is lying at the Aga Khan Hospital Mortuary and that we would like to take it for burial. The police are holding it. Could the Assistant Minister make the Ministerial Statement? I do not know whether the Assistant Minister is aware of my request for a Ministerial Statement. Could Mr. Tarus tell us whether he is aware that the Ministerial Statement was requested for yesterday?

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, I am sorry that, that Ministerial Statement is not ready.

**Mr. Deputy Speaker:** Are you aware of the request for it?

**Mr. Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, I am aware of it.

**Mr. Deputy Speaker:** Mr. Khamisi, request for your Ministerial Statement in one minute time!

GAZETTING OF MR. KENNETH BAYA  
AS NOMINATED COUNCILLOR

**Mr. Khamisi:** On a point of order, Mr. Deputy Speaker, Sir. I would like to request the Minister for Local Government to make a Ministerial Statement on the following matter. In the *Kenya Gazette*, dated 11th February, 2003, the Minister for Local Government gazetted the nomination of councillors under the Local Government Act, Cap 265. In the schedule under the Kilifi County Council, the Minister inserted the name of Mr. Kenneth Baya as the legally nominated councillor. In a letter dated 20th February, 2003, the Chairman of the Electoral Commission of Kenya (ECK) wrote to the Minister requesting him to revoke the nomination of Mr. Kenneth Baya as a councillor and replace his name with that of Mr. Jackson N. Baya, who is the legally-nominated councillor and was endorsed by his party, NARC. The Minister for Local Government has refused to gazette the name of Mr. Jackson N. Baya as the nominated councillor and hence comply with the instructions of the ECK.

*(Applause)*

I would like the Minister to explain to this House why he has refused to replace the name of Mr. Kenneth Baya with that of Mr. Jackson N. Baya, who is the legitimate nominated councillor for Kilifi County Council.

**Mr. Deputy Speaker:** Now, who will hold brief for the Minister for Local Government? Mr. Minister for Agriculture, would you hold brief for him?

**The Minister for Agriculture** (Mr. Kirwa): Mr. Deputy Speaker, Sir, once again, I do undertake to communicate to my colleague.

**Mr. Deputy Speaker:** Very well! Mr. Assistant Minister, Office of the President, could you make the Ministerial Statement you have? We have only four minutes left before we embark on the business of the House!

**MINISTERIAL STATEMENT**

LANDMINE EXPLOSION ON  
MOYALE-ISIOLO ROAD

**The Assistant Minister, Office of the President** (Mr. Tarus): Mr. Deputy Speaker, Sir, on

Tuesday, 10th June, 2003, Dr. Galgalo rose on a point of order and requested for a Ministerial Statement with regard to a landmine which hit a vehicle along Moyale-Isiolo Road. I would like to say the following.

On 9th June, 2003, at around 4.00 p.m., one Hilbo Dume, a prominent businessman in Moyale Town, who was also a police reservist, was driving his motor vehicle, Registration No.KXL 397, a Toyota Land Cruiser, along Moyale-Marsabit Road towards Moyale Town when he ran over a landmine near Butiye, which is three kilometres from Moyale Town. The landmine exploded killing him instantly and occasioned injuries to eight other people who were passengers in that vehicle. The injured were rushed to Moyale District Hospital. Four people were admitted and discharged the following day after treatment. So far, one person has been arrested in connection with the planting of the landmine, and will be arraigned in court once investigations are over. Further investigations are underway to establish the motive behind the planting of this mine. In the meantime, the Government is taking the following measures.

(i) It has intensified patrols within Moyale Town and the surrounding areas with the aim of flushing out illegal aliens and collecting any illegally held firearms.

(ii) It is holding joint security meetings with the Ethiopian counterparts.

(iii) It is organizing leaders' meetings and public *barazas* to sensitise members of the public on their collective security responsibility, and why they should not harbour criminals and suspicious elements.

(iv) Highway patrols have also been intensified.

As a result, movement of vehicles has now resumed on the Moyale-Marsabit Road. In order to assure the residents of Moyale that our roads are safe, a team of military bomb experts will soon visit the district to assess the situation and clear the roads of any mines which may have been planted.

Finally, I would like to assure the hon. Members of this House that the Government is doing everything possible to ensure the safety of its citizens and protection of their property from any form of aggression.

**Dr. Galgalo:** Mr. Deputy Speaker, Sir, you have heard the Assistant Minister say very clearly that a team of military bomb experts will be dispatched to Moyale. Now, it is more than ten days since that explosion took place and those roads have not been checked for any landmines which may have been planted. How can the Government take more than ten days to send bomb experts to that area to clear those roads of any landmines which may have been planted? Even now, the Assistant Minister has not told us when they will send those experts. How can it take them so long to check for other landmines which might have been planted on those roads? Why has it taken them so long to do this?

**The Assistant Minister Office of the President (Mr. Tarus):** We shall send experts immediately.

**The Deputy Speaker:** Order! Order hon. Members! It is now 3.30 p.m.

Next order!

Who was on the floor? Mr. Khamasi was; please continue.

## COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

### MOTION

THAT MR. SPEAKER DO NOW

## LEAVE THE CHAIR

*(The Minister for Finance on 12.6.2003)*

*(Resumption of Debate interrupted  
on 18.6.2003)*

*(Fourth Day of Budget Debate)*

**Mr. Khamasi:** Thank you Mr. Deputy Speaker, Sir. I would like to resume what I was saying yesterday; that, the proposals in the Minister's Budget Speech are good. These proposals can only be useful if they can be implemented. I have got my own reservations as to whether Mr. Mwiraria will have his proposals implemented.

**The Deputy Speaker:** Order! Order! Hon. Members, if you wish to withdraw, please do so quietly so that we continue with our discussion.

**Mr. Khamasi:** Mr. Deputy Speaker, Sir, we are dealing with the same Officers in the Ministries who failed other Finance Ministers in the previous regime. Year in, year out, we have appropriated money to various Ministries which eventually ended up in the pockets of a few civil servants, who are still holding those offices.

Mr. Deputy Speaker, Sir, you and I know that the wealthiest people in this country are civil servants of very low cadre and who we know earn very little money. There is no explanation as to why these people are very wealthy. The only explanation is that their wealth has been obtained through corrupt practices. These people are very dangerous; they are still in this Government and unless they are removed, I really sympathise with Mr. Mwiraria as to whether he will be able to implement these policies.

Mr. Deputy Speaker, Sir, there is no way the NARC Government is going to succeed if they continue using Mr. Moi's men in strategic places. The civil servants will frustrate all their efforts, and they are already doing this. Unless we make very substantial changes in the way and style of doing things, we shall not achieve anything. There is need for a total shake-up in the Civil Service to bring on board those who really want to see change in this country. Unless we do so, there is nothing we can hope for to bring about joy to our people.

Having said that, I would like to comment on the following policy statement from the Minister's Budget Speech. First of all, the reduction of Value Added Tax by two per cent is most welcome. This will make the lives of ordinary people bearable when they purchase various commodities. However, the Minister would have done better by identifying critical areas that affect the common man, particularly the farmer and reduce VAT further for example, on diesel, spare parts of agricultural machinery and on fishing nets.

Mr. Deputy Speaker, Sir, the increase on airtime on mobile phones was ill advised. In fact, there should have been a reduction on handsets to enable all rural people to afford to purchase a handset and broaden the base of users of mobile phones.

Mr. Deputy Speaker, Sir, on public safety, law and order, I want to commend the Minister for doing something about the police force. However, the recruitment in the force still remains the same as it was in the previous regime. We need to see a different style in recruiting police officers and we need to give them enough money and retrain only those officers who are trainable. There are some who are as hard as stone and even if you tried to change them, there is no way you can be able to do so. The only solution is to get rid of those who are not re-trainable and who cannot think. We need to be moving in a direction where we make our police force a better force than it has been. There is need for the Government to have a clear programme on how that is going to be done.

On the Judiciary, I have got one thing to say; we need to see serious efforts taking place to



streamline the Judicial system which is still corrupt, as admitted by the Department of Judiciary itself. In the past, we have seen a Chief Justice and a Judge resign under pressure from the public, after serious allegations of corruption were made against them.

The Minister for Justice and Constitutional Affairs confirmed that there was enough evidence to prosecute those two judges. What happened? They only resigned! I am not sure whether the action of resigning cleansed them from corruption. I would have expected that after those people resigned, they should have been brought to justice, taken to court and prosecuted for the offences they committed and if found guilty, jailed. We would like to see a few judges going to jail to bring about sanity in that sector.

Mr. Deputy Speaker, Sir, I would like to talk about agriculture and point out that the credit to farmers has been lacking for a very long time. Through the Agricultural Finance Corporation (AFC), which the Minister has allocated funds, farmers should be able to get cheap credit and this is very welcome. The AFC needs to be revitalised, and this can be done if the Government appoints high level management in that parastatal. Of late, we have seen appointments in the parastatals being made in the same style that was used in the previous regime. Perhaps, we need to reconsider and think how we are going to bring about good management in our parastatals as opposed to giving positions to our political cronies, for reasons that have nothing to do with their performance.

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

**Mr. Biwott:** Mr. Deputy Speaker, Sir, I thank you for giving me the opportunity to contribute to this Motion.

First of all, let me congratulate the Minister for attempting to produce a Budget that is aimed at growth and development, and which is also aimed at streamlining some of the aspects that need to be dealt with. For instance, he started very well when he talked about dealing with substandard goods and diversion of transit goods. He also talked about the need to assist the agricultural sector.

Mr. Deputy Speaker, Sir, however, if you look at how substandard goods are dealt with, you will realise that there is a very big shortcoming in handling that aspect. In order to deal with the issue of substandard goods, the Minister needed to identify the areas where those goods and services will be coming from. There is no use dealing with one aspect of a set of comprehensive measures which need to be put in place, because doing that will not produce the desired effects. For instance, in the case of zero-rating of Excise Duty on locally manufactured cars, which is supposed to deal with second-hand cars, he has only dealt with Excise Duty; he has not dealt with Value Added Tax (VAT), which needs to be removed in order for the cost of production of locally assembled cars to come down to about Kshs750,000, so that they can compete effectively with imported cars. If a car were to be manufactured locally today, it would not cost less than Kshs1 million; that will not give the Minister the desired effect. So, the local car manufacturing industry will fail. To that extent, therefore, this Budget has attempted, but has not actually achieved, the desired goal.

Mr. Deputy Speaker, Sir, with regard to roads, the Minister has talked about diverting resources to rural access roads, so that farm produce can access markets. That is a very good principle, but I am yet to see the details. I am told that a few copies of the Budget Speech have been put in Members' pigeon holes; I have not seen mine. It is the quality of the targeted roads that is important. It might as well be that the Budget has not taken care of roads in KANU zones and yet the Government is a permanent institution which is supposed to serve all Kenyans. So, I hope that the Minister has provided for all the access roads, especially for roads in areas where essential commodities such as cereals are being produced.

If you look at the tax measures proposed by the Minister, you will realise that many of them are geared towards helping co-operative societies. I hope that the same measures will apply to farmers producing maize and fruits, because these are the areas which need support. For instance, they should be allowed to import duty-free equipment for processing, say, wheat products such as bread. So, the

cereals sector should also benefit from the measures that are aimed at benefiting the tea and coffee sectors. Therefore, if we are to spur these industries and create the jobs the Government has been talking about, the Minister should zero-rate VAT, especially now that the external tariffs of the member states of the East African Community are being harmonised, so that the market can be one. Instead of having a 30 million-people Kenyan market, we will now have about 80 million-people East African market. So, we need to invest more money in order to achieve that objective.

Mr. Deputy Speaker, Sir, I hope that when it comes to waiving non-performing loans in respect of the Agricultural Finance Corporation (AFC) and the Kenya Co-operative Creameries (KCC) Limited, the same should apply to farmers in the cereals producing areas. Because that is where food is being produced, more effort is needed. In other words, these measures should apply across the board, so that every farmer who needs help can get it on an equal basis. I am supportive of the proposed measures of dealing with co-operative societies, especially with respect to coffee producing areas. However, I would like similar treatment to be given to farmers who do not come from coffee producing areas.

With regard to afforestation, I would have liked more resources to be directed to environmental conservation. Normally, flooding creates problems for people. Floods become devastating due to lack of trees and other vegetation in general. Therefore, there is need to do a lot more in order to control flooding from the sources of water. We also need to control landslides, which are common in various areas. I have in mind Kerio Valley or Keiyo District as a whole, which is the main source of the water that flows all the way to Lakes Victoria and Turkana as well as to West Pokot. So, those are areas where attention needs to be given.

I hope that when it comes to disbursing the contingency funds, these areas will be considered. There is need to re-settle the people of those areas; they have been affected by landslides and flooding. Also, the roads in those areas have been badly destroyed by the flooding and landslides. Further, people in those areas need relief food supplies. Due to the need for development, more funds should be provided for irrigation. In other words, Kerio Valley Development Authority needs more funds than what has been allocated to it at the moment.

For many years, studies have been conducted in the ASAL areas. These are the areas where resources are now needed. Many studies have been conducted in the past, and others are still on-going, which do not necessarily result in development of the area. So, the Minister for Finance may wish to contact donors, especially those donors who have been funding projects in ASAL, to provide resources to back the implementation of studies they have sponsored.

Mr. Deputy Speaker, Sir, I hope that funds are available for the Government to buy the KCC immediately and rehabilitate it in order to benefit dairy farmers. The farmers have been given hope, and now we need implementation. Most of these measures need to be implemented by a Government which is confident of itself, and not the Government which is accusing the Kenya African National Union (KANU) all the time. The National Rainbow Coalition (NARC) Government should stop accusing KANU and go straight to work. The ruling party won the last general election, and it was given the mandate to rule Kenyans. So, the Government should now implement the policies that it has stipulated in the Budget.

Water is also a very important thing which needs to be given special attention. One may wonder whether some of the deformities our people suffer do not arise from water pollution. We need special attention and funding to be directed to this area. A study that is implementable should be carried out.

As far as security is concerned, the Minister has done very well. The security of any country deserves first priority. The resources that have been provided for security are enough. It is important to ensure that the person protecting you is double-protected. He should be paid well and provided with adequate equipment. Indeed, he should have a car which moves faster than that of the criminal he

is supposed to pursue. As it is now, I see many police cars on our roads being pushed, and that tells a lot about the problems facing our security agents.

**Mr. Deputy Speaker:** Order! Your time is up.

**Mr. Biwott:** With those remarks, I support.

**The Assistant Minister, Office of the Vice-President and Ministry of National Reconstruction** (Mr. Mungatana): Mr. Deputy Speaker, Sir, the Budget Speech that was given to us by the Minister for Finance, must be commended for several reasons. I know the hon. Members have said a lot, in terms of commending it but I would like to add another angle to it.

This Budget was youth-friendly. The Speech by the Minister on page 33, that touched on our pet subject; education, stated that in this fiscal year the Government proposes to increase the amount allocated to education from Kshs2.8 billion to Kshs9 billion. This is by far the highest increment of any sector and the Minister must be commended. It is the youth who enjoy education facilities. I think this is an indication that the NARC Government is considering the interests of the youth.

If you again look at page 37 of the Speech, there is a proposal by the Minister to exempt computers and computer accessories together with their raw materials from Import Duty. This is again highly commendable. I would say that the bigger beneficiaries of this measure are the youth. It is the people whom we call the *dot com* generation who use these computers more than anybody else. I would, therefore, like to commend the Minister for taking youth-friendly measures and I think this is an indication that the Government is considering the youth more than it used to in the past.

Having said that, I would also like to point out something that affects farmers from the Coast Province. There is a proposal that has been made on page 36 to the effect that Export Duty on cashew nuts should be waived to encourage farmers. It is proposed that this measure will benefit farmers of this crop.

Mr. Deputy Speaker, Sir, the history of cashew nuts in the Coast Province is well documented. You will recall that, millions of people, if I could say by extension, depend on the income either directly or indirectly from this crop which is grown in the Coast region. This crop was very profitable for many years and we remember how the Kilifi Cashew Nuts Factory used to be the source of livelihood for many people in the Coast region. The sad story of the cashew nut farmer began sometime in 1998 when there was liberalisation of this crop. Duty was waived and people were now allowed to export this crop without any restrictions. History will bear me out that, it is at this time that the Kilifi Cashew Nuts Factory collapsed.

The liberalisation of this crop coincided with the collapse of the Kilifi Cashew Nuts Factory. A lot has been done in terms of research. As I am speaking to you, the proposed Cashew Nut Policy Paper is currently lying with the Ministry of Agriculture. One of the things that it has said is that we must control and make it difficult for people to export this crop. There is no value addition if this Import Duty is waived as proposed here. Many farmers are going to suffer and there will be no incentive for people to process these cashew nuts. It is going to be the same story as coffee. Coffee is produced in Kenya and then taken out to Germany as raw material. They do all the value addition there and we are told that there is no coffee in Kenya; there is German coffee or English tea, yet we produce these raw materials.

The proposed cashew nuts policy is very clear; we want to add value right here in Kenya. We think that it is a way of creating jobs for the people there. If this Import Duty is waived as it is proposed here, thousands of people are going to suffer. I would urge that this proposed waiver of Import Duty be looked into afresh, because farmers are going to cry.

Mr. Deputy Speaker, Sir, one kilogram of cashew nuts used to cost Kshs100, but after the liberalisation many Indian traders - and I am not talking about race here - came and started buying cashew nuts. They would take those nuts to India, process them and then bring them back to our supermarkets to be sold very expensively. Since the market was liberalised, the prices have shot down

from Kshs100 a kilogramme to Kshs35 per kilogramme and now it is as low as Kshs10 per kilogramme. If there is any measure that must be put in place for the cashew nut farmer, for increased employment opportunity and increased interest in investment in this area, I would urge that the Import Duty should not be waived. The proposal that is there must be looked at again so that our farmers can benefit. Even the Minister for Agriculture was in attendance when this cashew nut policy was being made, and this document was with him there. Farmers have said, and I will say it again, we must spur the development of this cash crop at the Coast, because we want to protect the Kenyan farmer. We must argue and struggle towards a value addition, and stop exporting raw nuts only for other people to benefit.

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

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Mr. Mganga, I am going to have trouble with you. Yesterday I did tell you that there is only one man presiding over this House, and I happen to be the one. Now again, you want to take over my work!

**Mr. Mganga:** Mr. Deputy Speaker, Sir, I did not open my mouth, I just coughed. I do not know how you can say that I--

**Mr. Deputy Speaker:** Very well, very well.

**Mr. Mganga:** I was only coughing, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Very well, sit down.

Proceed Mr. Owidi!

**Mr. Owidi:** Thank you Mr. Deputy Speaker, Sir, for giving me this opportunity. I rise to support the Budget. This is the only Budget, for the last 40 years, that is people-friendly. With proper management of resources, we have seen that the NARC Government has at least something in the granaries that were empty in the last 40 years. We have had Kshs2.9 million allocated to education, Kshs1.5 billion to HIV/AIDS programmes, and at least the government will check the wayward ways of commercial banks. Also, the Personal Income Tax range has been widened, and the common man stands to benefit. What worries me in the Budget is its implementation. There is free and compulsory education, but the bursary fund for post-primary education should be distributed in a transparent manner. We have known some schools in certain regions where every pupil gets a bursary, whereas in some parts of Nyanza, and especially so in my constituency; Kasipul-Kabondo, the needy cases do not benefit at all. There should be some transparent way of distributing this fund.

Also, Mr. Deputy Speaker, Sir, it is not known how the Ministry of Education, Science and Technology distributes the post-secondary schools bursary fund. There are people who get this bursary fund when they do not deserve it. The most serious issue is that of the university loans. Our students have turned to crime because they do not have the money to live on or pay fees. The very poor students do not get money. Recently, we had an incident where guns were found at one of our universities. One could attribute this to lack of funds for their education. Some of our girls have turned out to be twilight girls, because they cannot live without money. I would suggest that anybody who applied for a loan for university education should be given this money. The Ministry of Education, Science and Technology has failed to be fair to most people who deserve these funds.

As for the development funds in schools, Mr. Deputy Speaker, Sir, I know of schools in Central Province that get the entire fund of Kshs10 million. In my constituency, we have never had more than Kshs100,000. One wonders why some schools get up to Kshs10 million, while others get nothing at all. Now, to improve this situation, the management of the Ministry of Education, Science and Technology should be streamlined. It is really sad that the Ministry of Education, Science and Technology is now manned by people from one region in this country. Now we have hon. Prof. Saitoti

as the Minister, hon. Beth Mugo and hon. Dr. Mwiria as his Assistant Ministers, Prof. Karega Mutahi as the Permanent Secretary, and Mrs. Naomy Wangai as the Director of Education. Surely, even if they are all to come from Mount Kenya region, must they be from the same district?

*(Applause)*

Surely, that is very unfair. We know that in this country, some people do not know how to share the national cake.

**The Assistant Minister for Health** (Mr. Konchellah): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to impute that hon. Prof. Saitoti comes from Central Province, yet we know that he comes from Kajiado?

**Mr. Owidi:** He is a Kikuyu! That is evident, we should not be cheated!

**Mr. Deputy Speaker:** Order! Mr. Owidi, Order! I think we are becoming trivial. Let us be more serious. We are debating a very serious matter; the Budget of the Republic of Kenya, not matters of whether one comes from the Rift Valley or Central Province. It does not matter as far as the Budget is concerned.

Proceed, Mr. Owidi!

**Mr. Owidi:** Mr. Deputy Speaker, Sir, we have known that the distribution of funds in this country, from this Ministry, has not been fair. So we must have people from other regions also.

*(Applause)*

Mr. Deputy Speaker, Sir, there were some roads marked as tarmacked many years ago. I would request the Ministry of Roads, Public Works and Housing to give these roads a priority. One example of such roads in my constituency is the Oyugis-Kindu Road, that was supposedly tarmacked 20 years ago. I would request that this road be tarmacked accordingly.

Mr. Deputy Speaker, Sir, I always believe in fairness. The salaries of civil servants need to be harmonised. A Provincial Commissioner (PC) earns Kshs300,000 per month, while a District Commissioner (DC) earns Kshs20,000. A Permanent Secretary (PS) earns about Kshs540,000 per month, while his deputy gets Kshs25,000. Judges earn about Kshs1 million, while magistrates hardly earn Kshs30,000. We are not fair to each other. If we want to build a fair country, please, let us be fair and address this disparity.

There is still abuse of office in the Judiciary, Mr. Deputy Speaker, Sir. We have heard of cases where people commit petty offences like fighting, and they are charged for robbery with violence. This is meant to deny such people freedom of bail. I have a case in point where the former Director of Public Prosecutions, Uniter Kidullah, charged a man who had fought in a public place for the crime of robbery with violence. She did not even consult the investigating officers. This was meant to put this man in custody, and I think it is not fair. I know there will never be justice, fairness and truth, but we will always fight for that. So, the Judiciary needs a complete overhaul. We should not blame KANU when we are doing the same thing.

*(Applause)*

Mr. Deputy Speaker, Sir, finally, I believe Parliamentarians were elected by the people. Some civil servants treat Parliamentarians with contempt. They should really stop this behaviour. We have heard of cases where civil servants refer to Parliamentarians as "nothing". We have heard about it here. Please, let them respect us and we shall also respect them

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** By the way, to be fair to Mr. Mganga, I have since established that

the reason why a reprimand was directed at him was because of utterances which he was not responsible for. It was another hon. Member whose name I know who made those utterances. My apologies to Mr. Mganga. He has the floor.

*(Laughter)*

**Mr. Mganga:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to also contribute on this year's Budget Speech. First, I want to say that however good anybody can be in economics, to be given the task of presenting a Budget for this country and under these circumstances, is an extremely difficult and challenging task. I want, therefore, to say that I fully support this Budget and commend the Minister for Finance for the difficult task he has gone through to try and come up with this Budget.

Mr. Deputy Speaker, Sir, however, in saying so, we do hope that those who are charged with the responsibility of implementing various measures recommended by the Minister, actually implement them in a manner that will benefit the people for whom they are intended. The devil is always in the detail.

**An hon. Member:** Who are you?

**Mr. Mganga:** My name is hon. Bonface Mganga.

**Mr. Deputy Speaker:** Mr. Mganga, you mean somebody does not know you yet?

**Mr. Mganga:** Mr. Deputy Speaker, Sir, in fact, I am surprised. It is the hope and wish of every Minister for Finance to achieve a balanced Budget every time he stands before Parliament to do so. However, I take note of the deficit of Kshs60 billion in this year's Budget. Whichever way the Minister intends to patch this hole, whether it is through printing extra money, domestic borrowing through Treasury Bills and Bonds or absorbing donor funds, the net effect eventually is that it will create excess liquidity.

Mr. Deputy Speaker, Sir, what does this excess liquidity do? One, it will obviously push up interest rates. Money will become expensive and, therefore, less people will have access to bank loans. Two, the Minister would like to bring down inflation rates from the double digit where it is now today to 5 per cent, but with the excess liquidity brought about by the deficit, the inflation rate is most likely to go up. Three, this will obviously destabilise the foreign exchange regime.

Mr. Deputy Speaker, Sir, therefore, I am hoping that all other proposed measures will benefit the common man. These include removal of duty for capital goods intended to stimulate the production sector, the reduction of VAT from 18 per cent to 16 per cent, the removal of excise duty for locally assembled vehicles which I am very thankful about because a motor firm like AVA in Mombasa has rendered many people jobless and sent them home because of stiff competition on exported vehicles, especially reconditioned one. Therefore, I find it very difficult to appreciate that the interest rates are going to be kept low or the inflation rate is going to be contained at 5 per cent and, therefore, make life any better for mwananchi.

Mr. Deputy Speaker, Sir, for any Budget to succeed, however good it may be, the trickle down effects must translate into how much it costs mwananchi to actually live in a day. How much does a packet of *unga* cost? How much does a litre of milk cost? How much does a litre of kerosene cost? These are the fundamentals I would like to see in terms of a Budget that is not only meant to spur the growth of the economy, but for the mwananchi to actually say: "Yes, there is a change of Government and my life is better economically."

Mr. Deputy Speaker, Sir, in looking outwards as we zero-rate duty for capital goods, I hope the Minister can also look inwards so that we can develop watertight, inward-looking development policies. As Kenyans, we should achieve economic self-reliance, develop and put in place substantial protective tariffs and non-tariff trade barriers in order to stimulate unprotective import substitution.

There is no country anywhere in the world that has ever developed without a measure of protection. This has got to be done, however much we want to liberalise. If we want to go for an open economy, yes, that is good for multi-national corporations, but what does it do to our indigenous factories and industries here? We need to give them a measure of protection. The whiteman is not interested so much in how much you develop yourselves. It is in his interests that the blackman remains a permanent source of cheap labour for his multinational companies. He remains a permanent supplier and producer of raw materials for industries abroad and, of course, he remains a guinea pig for the whiteman to come and test his unproven goods. As a country, therefore, we need to think: "Where are we and where do we want to go?"

Mr. Deputy Speaker, Sir, the Minister did say that in future the hiring of chief executives will be done on negotiated contracts. I have personally listened with dismay at the way the Cabinet is being bloated. Unfortunately, during the presentation of the Annual Estimates of Development and Recurrent Expenditures, the Minister did not mention anything about public sector reforms. We need a public sector reform that is efficient, effective and one that is going to deliver services timely to wananchi, indeed, to fulfil the social contract that the Government has signed between itself and the wananchi. For this to happen it has to be lean. It has to be a small and manageable Public Service and one that is paid well. Most of the money in the Budget will go to salaries. We all know that one of the biggest problems that we have in this country with the Government is the wage bill. Today, over 60 per cent of the money voted in the Recurrent Expenditures in ministries and departments goes to salaries and only 35 per cent to 40 per cent to operations and maintenance. We need to reverse this position. Our wage bill is by far higher than that of Tanzania and Uganda and that should not be the case because our economy is much better than that of our neighbours.

Mr. Deputy Speaker, Sir, I support the proposal to raise salaries of civil servants, but in so doing, we must do it in such a way that we do not heat up the economy. However, in the same way, I want to say that while we are lamenting about the poor salaries of our civil servants, we do know that since January last year, Permanent Secretaries sat alone by themselves and passed salary increments for themselves amounting to Kshs400,000 per month and yet their deputies and other heads of departments earn only Kshs60,000. How fair is it? Is it possible that a boss can do a job ten times more than his deputy? I will urge the Minister for Finance to scrap those salaries because they are illegal - they are actually illegitimate - until such a time that he can raise the salaries of all the civil servants proportionally.

Mr. Deputy Speaker, Sir, some very good things have been said about revenue collection. I do hope that the Minister for Finance can put in place policies and, if possible, legislative measures, to make sure that all loopholes for tax leakages are sealed. This is to make sure that the people who have in the past accessed Government revenue and plundered it with impunity are stopped in their tracks. We do know that one of the worst things that has happened over the last few years is the plunder of public funds and it is unfortunate that now some people are throwing stones at the previous regime and saying that it was corrupt and inept.

Mr. Deputy Speaker, Sir, I want to agree that it is okay for the former Vice-President to lament about how he was mistreated and eventually thrown out politically, but it is wrong for him to say that the Government was corrupt and yet he was part and parcel of every corrupt action that took place at that time.

*(Applause)*

He cannot get away from it. In fact, now that he is under inquiry, he ought to have resigned his position as a Cabinet Minister.

(Applause)

**Mr. Deputy Speaker:** Mr. Mganga, your time is up. It is somebody's else time.

**Mr. Mganga:** Mr. Deputy Speaker, Sir, is my time up?

**Mr. Deputy Speaker:** Yes, your time is up.

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

(Applause)

**The Assistant Minister for Planning and National Development (Mr. Kombo):** Mr. Deputy Speaker, Sir, thank you for granting me the opportunity to make a few comments on an extremely good Budget. In fact, if you look into the eyes of the few hon. Members who have said something against it, you will realize that they have been struggling and they know they are lying when they criticise the Budget speech.

Mr. Deputy Speaker, Sir, one interesting thing--- The issue of deficit budgeting has been brought up, again and again, by those who would like to pierce some holes in the Budget. But deficit budgeting, in itself, is not a bad thing at all. For a long time the USA lived on deficit budgeting. In fact, deficit budgeting does spur growth in the economy, provided the Minister concerned knows what he is doing. I know that the Minister for Finance knows what he is doing and the deficit budgeting will help to spur the growth.

Mr. Deputy Speaker, Sir, I want to comment on the Civil Service because the previous speaker talked about a bloated Civil Service. In reality our Civil Service may not be bloated, but it has been inefficient. If we could instil efficiency into the Civil Service, it will turn productive and our economy will grow. Eventually, that worry about a bloated Civil Service, which is thrust down our throats, mainly by the donors, will be a thing of the past.

Mr. Deputy Speaker, Sir, as I said earlier on, the Budget speech was a good one. In fact, in my mind, the Minister for Finance was a miracle performer. Having inherited an empty coffer and a dilapidated economy, he came out with a Budget like this one, definitely, he was like what the Bible refers to as the good Angel who arrived with the good news. That is exactly what the Minister was, for Kenyans. Of course, not everyone's needs could have been met given the difficulty in trying to balance the Budget, but he did his best. Questions have been asked about what vision the Minister had. That question was particularly raised by hon. Billow, who is the official respondent on behalf of the Opposition. I heard him and said: "My goodness! How can anybody ask about a vision?" In an economy that has collapsed, to ask what vision there is about this Budget, shows that you are either ignorant or your are just criticizing for the sake of it. If it is out of ignorance, then, it is easy because we shall try to educate them so that they understand that the Budget has a vision. The vision is absolutely clear because, right from the onset, the Minister talked about growth and economic recovery. If that in itself is not a vision, then what do you call a vision?

Mr. Deputy Speaker, Sir, right from the start the Minister was concerned with the economic recovery and throughout the Budget he demonstrated that he understood what he was doing. That is why he put great emphasis on infrastructure and allocated a lot of money towards it. The Minister knew that without good infrastructure, it does not matter what you do, the economy will not grow. He, thus, allocated a lot of money to infrastructure development. One could grow coffee, tea, maize, *et cetera*, but if the infrastructure is not good the crops will not get to the market and there will be no recovery in agriculture. That is why he put a lot of emphasis on infrastructure development. The Minister for Finance got his priorities right. Budgeting is about prioritizing. It is about balancing and taking the hard decisions so that one knows how to move on - that is why he covered all the areas people have talked about, for example, agriculture. I do agree, *ikiwa ni kweli ni kweli*, that the cereals



subsector was not given enough emphasis, but the Minister is not blind to that. I am sure he can hear us and he will do something about it. Also, I am sure he has not turned a blind eye or a deaf ear to the sugar industry in the area I come from. I am sure that he is hearing the cry of those who are saying that the sugar-cane farmers are suffering. He will definitely do something about it.

Mr. Deputy Speaker, Sir, the Minister for Finance put a lot of emphasis on education because he knows that for an economy to grow it needs literate people. A country like South Korea, which has really less resources than ourselves, has grown dramatically because it developed its people. That is why the Minister put great emphasis on education and health. Healthy people will work and educated people will produce. Indeed, he knew what he was doing.

Mr. Deputy Speaker, Sir, the Minister for Finance, also put emphasis on the issue of security. This is an important ingredient because where there is insecurity investors will be frightened away. I actually find it incredible for people to stand up here and criticise the Minister of State in charge of Provincial Administration and National Security, about the statement he made. I say unto myself: "For the first time, we have an open Government. We have people who are prepared to admit that we have a problem and we are dealing with it." That is what hon. Dr. Murungaru did and yet we criticise him. It is amazing! Security issues ought to be taken seriously by Kenyans because if a plane had been shot down, we would be turning around and saying that the Minister of State in charge of Provincial Administration and National Security did not know what he was doing, but now that he knows what he is doing, we stand up to criticise him!

Mr. Deputy Speaker, Sir, equally, the Minister for Finance placed a lot of emphasis on good governance. This country has moved backward because of corruption. In dealing with corruption, we should not be afraid to point out somebody who has done something wrong. When I read a report in today's newspaper about Daniel Toroitich Moi saying that he is not afraid, I thought that was important, because if he has nothing to hide, then he should not be afraid, but rather, he should be prepared to come before those investigating to demonstrate his innocence. That will be good for this country. It is a mature approach that we are talking about and it is also what the Minister is saying, that we must deal with corruption once and for all. He put a lot of emphasis on the pastoralists. We have had meetings with pastoralists and we heard their cries, and so the Minister did make sure that they are taken care of.

Mr. Deputy Speaker, Sir, I think the big challenge, and I agree with the speakers who, so far, have raised the issue, is on implementation. This country is littered with many documents that are great to read, but when it comes to implementation it has been nil. If you look at the Budget Speech, the Minister for Finance talked about monitoring and evaluation, meaning that he is aware that the proof of the pudding is in the eating thereof. He is also aware that unless the policies in the Budget are implemented, we shall get nowhere. The message from the Minister for Finance and the Head of State, that everybody must work hard and that the lazy ones who do not want to implement the policies have their days numbered, is very clear. I think the NARC Government has the knack to implement its policies, as has been demonstrated in the education sector. When we made a promise about free and compulsory primary education, we went ahead and implemented the policy. When we talked about fighting corruption and zero-tolerance to corruption, we have gone ahead and dealt with it. So, the NARC Government has the knack to implement its policies.

**Dr. Shaban:** On a point of order, Mr. Deputy Speaker, Sir. I am wondering whether there is a country called NARC in this world. The Assistant Minister should have referred to the Kenya Government.

**The Assistant Minister for Planning and National Development (Mr. Kombo):** Mr. Deputy Speaker, Sir, there is a NARC Government! We can educate the hon. Member a little bit later if she wants. But there is a NARC Government.

Lastly, I want to say that the Minister showed the private sector that they are our partners, and

are called upon to participate in the development of this country. I want to thank members of the private sector who have stuck with us, and I hope they will stick with us even more.

With those few remarks, I beg to support.

**Eng. Nyamunga:** Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to contribute to this Motion.

First, I would like to thank the Minister for choosing the construction industry to turn the economy of this country round. The Minister has put over 35 per cent of the development budget into the construction industry. That will go to the infrastructure in the name of roads, and a bit of it will go to the housing sector. You will agree with me that, once we pump money into the construction industry, all the other sectors of the economy will receive the money. When roads and houses are constructed, the cement and steel industries boom. The food sector will also boom because constructors are heavy eaters. The quarry and the sand sectors will also boom. It is wise that the Minister has chosen to use the construction industry to turn round the economy and create jobs. The construction industry is a heavy employer. It requires manual and skilled labour. Everybody will be working and the benefits will penetrate to the agricultural, industrial and other sectors.

On agriculture, while I appreciate the gesture the Minister has given to the coffee sector, I think he has forgotten another very important sub-sector in agriculture, which is the cotton industry. We know that under the African Growth and Opportunities Act (AGOA), in the year 2001, this country earned over US\$200 billion. But with the collapse of the cotton industry in this country, and the cotton factories like Kikomi, Rivatex, KTM and Nanyuki and others, you will realise that the money we earn under the AGOA goes to countries from where the yarn, which is used in the Export Processing Zones (EPZs), is imported. Early this year, workers at the EPZs went on strike because they are poorly paid. When you look at it, you will realise that a very small percentage of that US\$200 billion actually comes into our country. I would like to appeal to the Minister for Finance to look into the cotton sub-sector, so that we can revive the factories that used to manufacture the yarn, which is used in the EPZs, so that a big percentage of whatever we earn under the AGOA gets into our country. Farmers will have to be paid; the factories that manufacture yarn for use in the EPZs will also be paid. So, a large percentage of that money will integrate backwards into the country. But for now, the Minister will agree with me that, whatever we earn under AGOA, only a small percentage of it actually benefits the country.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, the Minister has given a 25 per cent increase to local authorities under the Local Authorities Transfer Fund (LATF). But there is a rider there which worries me. The local authorities which will not use the money carefully will be denied future or further disbursements. I would like to appeal to the Minister for Finance to put in place measures that will ensure that various local authorities account for the money that they have been given. They should account for the money disbursed to them. It is not fair for *wananchi* in various local authorities to suffer due to lack of funds, because certain people, who have been entrusted to oversee the use of the money, have misappropriated it. I would like the Minister to look into that issue again, and see what measures can be put in place to ensure that, whatever money is disbursed to the various local authorities is accounted for, and any misappropriation is dealt with accordingly. It is a good idea that we put money in local authorities, so that it gets closer to the people in terms of use.

Mr. Temporary Deputy Speaker, Sir, let me touch on electricity. The Minister has done well to

acknowledge the fact that electricity tariffs in Kenya are among the highest in the world. Since electricity tariffs affect our production costs, it makes our manufactured goods not competitive and yet, we know we have open markets and we are signatory to the World Trade Organisation (WTO), COMESA and the East African Community. Zero-rating power imported from Uganda, and removing tax on equipment used in the distribution and transmission of electricity will, inevitably, reduce the tariffs. You will remember that, sometime this year, we passed a very good Motion urging this House to ensure that all market centres are supplied with electricity through the Rural Electrification Programme, so that, the *Jua Kali* sector can benefit from that. With reduced tariffs, the benefits will be more. At the moment, the Rural Electrification Programme (REP) is shrouded in mystery. We have an arrangement where the REP attracts money from the Exchequer. Those who are connected to the REP network pay for whatever they consume. We also know that our electricity bills attract, at least, a 5 per cent tax, to go to the REP. The Government does not really know what goes on at the Kenya Power and Lighting Company (KPLC). The Government is not in charge. I would like to appeal to the Minister to insist that we set up an agency that will be in charge of our rural electrification network. I am told that, that network collects over Kshs7 billion. Surely, we cannot entrust that kind of money to anybody or any organisation which is not accountable. So, I would request that we set up, very quickly, an agency to manage the network, and even be in charge of its expansion.

Mr. Temporary Deputy Speaker, Sir, on the diversion of transit goods, the hon. Minister has done well in insisting that those who import fuel must put a deposit equivalent to the duty and will only be refunded after certification that the commodity went beyond the border. However, I would like the hon. Minister to do a little more than that. Many of our industries have collapsed or have suffered heavy losses because of transit goods which get diverted into the local market. A lot of those goods are actually substandard. Because they are on transit, the Kenya Bureau of Standards (KEBS) does not check them. Since they are substandard, they are cheap. They also evade tax under the pretext that they are transit goods and yet they get diverted here. The net result, therefore, is that our goods cannot compete and our industries collapse.

Mr. Temporary Deputy Speaker, Sir, there was a proposal sometime back that we allow Ugandans, Rwandans and Burundis to charge taxes on transit goods at Mombasa Port. Since we are all under the same East African Community (EAC), why could we not implement this proposal? After all, all the banks are now networked. The member states can open bank accounts with Standard Chartered or Barclays. This will be monitored in Uganda, Tanzania, Rwanda and Burundi, so that any goods passing here, duty is paid. If there are goods destined for Uganda, they pay duty to Uganda Customs Officers at Mombasa Port. I worked at the KEBS and saw what the Kenyan business community does. There is a lot of cheating and collusion. This diversion of goods is done at the expense of our industries. That is very serious.

Mr. Temporary Deputy Speaker, Sir, on denaturing, the hon. Minister said that any alcoholic spirit produced locally or imported must be denatured. There is a danger here. I totally agree with his concern that we are producing a very unhealthy nation because of illicit brews.

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

**Mr. Obwocha:** Thank you, Mr. Temporary Deputy Speaker, Sir. I would want to first congratulate the Minister for Finance for only one reason. There is no point of criticising the NARC Government after five months in power, considering the fact that they took over a dilapidated economy, where there was nothing in the coffers. In those circumstances, the Minister for Finance has done very well.

*(Applause)*

The truth of the matter is that the budgetary process in this country must be reviewed. This Parliament must wake up and start reviewing this process so that Members of Parliament can get involved from the start of compilation of the data, to everything else about the Budget so that when we come to approve this Budget, we know what we are approving. Right now, we are just rubber-stamping what the Executive has done. There is no input of Members of Parliament. We must really look at the budgetary process. You and I do know that it is very difficult to increase any tax in this Budget. So what are we supposed to do? To rubber-stamp it! Yes. Hon. Members, let us amend the Standing Orders so that we can effectively do a good job for our people.

Mr. Temporary Deputy Speaker, Sir, when I was looking at the Budget, there is one underlying policy that I did not see. Where is the Public Sector Reforms Policy? Is the Minister increasing the numbers in the Civil Service and yet it is being considered bloated?

Mr. Kombo talked about deficit budgeting. In this country we cannot afford not to budget on deficit. However, we must be aiming at a position where we avoid the issue of deficit budgeting because we cannot budget for what we do not have. We must budget for the resources we have. We cannot depend on our development partners forever.

The Minister for Finance should have also come to address the issue of the tax principle. The people of Kenya cannot continue paying tax forever. We must peg our taxation to 30 per cent of the Gross Domestic Product (GDP).

Having made those remarks, Mr. Temporary Deputy Speaker, Sir, I would like to commend the Minister for reducing Value Added Tax (VAT) from 18 to 16 percent.

Mr. Temporary Deputy Speaker, Sir, the liberalisation policy has hurt our agricultural sector. We must review this issue. This is because the tea industry, especially in my area, is almost dead. Even Kibirigo tea factory is almost dead. We used to deliver 15 million kilogrammes of tea, but now this has reduced to 10 million kilogrammes. We used to get Kshs16 per kilogramme as bonus, but we are now getting Kshs8 per kilogramme. We must find out why people are taking their tea leaves to *soko huru*. We must reconsider this issue of liberalisation. I expected the Minister for Finance, in many of these policies or tax cuts, to have reduced the duty on fertilizer because this is the one input we use in most of our crops.

Mr. Temporary Deputy Speaker, Sir, I would like to say something about our banking sector. The hon. Minister has reduced the minimum capital from Kshs500 million to Kshs250 million for banks and Kshs200 million for financial institutions. Is the hon. Minister taking us back to the days when those little banks were fleecing people? What we expected the Minister to do, even if he was giving this to Wananchi, is to put a regulatory framework so that nobody touches the money of those coffee and tea peasants who put their money in those financial institutions. We do not want a repeat of this because that would kill the banking sector. I expected the hon. Minister to come out clearly on the Central Bank (Amendment) Act or the famous Donde Act. He kind of evaded it when I listened to him. He talked about the Monetary Policy Committee, which is alright. However, he has not addressed the issue of the interest rates. This is because the interest rates, as high as they are, are making loans expensive. All these accidents we are having of buses plying from Nairobi to Kisii is because these fellows want to go to Kisii twice a day to be able to raise enough money to pay their loans. The Central Bank of Kenya (Amendment) Act or the Donde Act must be addressed squarely so that we know that the banks are implementing it.

Mr. Temporary Deputy Speaker, Sir, on the non-performing loans, I was happy that the hon. Minister said that an agency would be created. However, let me remind the House that the former Minister for Finance did come up with the Consolidated Bank of Kenya that was supposed to take care of those collapsed banks. Why don't you create the non-performing loans agency within the Consolidated Bank so that they can take over the non-performing loans in banks? If we do this, the Kenya Commercial Bank (KCB) and the National Bank of Kenya (NBK) can start again going back to

the rural areas to assist our farmers. This is what we expect the Minister for Finance to address.

Mr. Temporary Deputy Speaker, Sir, looking at the Budget, I wonder why the hon. Minister allocated Kshs26 billion to the Office of the President and yet he has moved 15 departments out of it? Why? I hope those departments will move with this money. However, this leaves one baffled.

Mr. Temporary Deputy Speaker, Sir, one issue that I want to raise is that of public debts. If a third of our resources are being used to pay public debts, is it not time that the Minister for Finance and the NARC Government supported the Global Cancel Debts for Child Campaign, so that most of our external debts can be waived to assist this country. Many of those debts were used in a manner that was not accountable, because we cannot say what some of them did to this country. We expect the NARC Government to address that particular important issue. We are on our way to Cancun and we expect that the Minister for Finance and the Minister for Trade and Industry, will address some of these very crucial issues that have come through the Structural Adjustment Programmes (SAPs). We are tied, and our economy is tied. The Ministers know what I am talking about; that is capacity building. We want a situation that when we go to Cancun, we can see what to do in helping where we were tied. Finally, I want to say that the implementation of this Budget is very important. When I look at it, I see that we need to amend 18 Acts and thus, 18 new pieces of legislation are required to implement it. How are we going to make it? It is an uphill task. I want to say that we are going to support anything that is good. Many of the things that are in the Budget are good. We are going to support it, but we need action. We need the things in the Budget implemented. We would like to see what has been said or put in that Budget working, reviving some of the sectors, institutions and organisations.

With those few remarks, I beg to support.

**Mr. Shitanda:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving this chance. I wish to join my colleagues in praising the Minister for Finance for presenting this year's Budget, which has been dubbed "the peoples' Budget." However, I would like to make a few comments on some of the issues contained in it. The Minister for Finance made a revelation to this House that although the Banking Act existed, there was a section in it which the previous Government never followed or complied with. That resulted in the banks and financial institutions exploiting Kenyans, stealing from them and robbing them of their hard earned money. While we appreciate the revelation by the Finance Minister on that particular aspect of the Banking Act, he did not come out clearly to say what is going to happen to the illegal charges that Kenyans have been paying to the banks in the form of bank charges. We would have liked the Minister to come out a little bit strongly and say that these erroneous charges which are illegal should be refunded to the depositors.

*(Applause)*

We would also like the Minister, as he assured us, to come out very firmly, to implement this particular section of the Banking Act to ensure that banks comply with the Act to the letter. He should also seek ways and means of averting a floodgate of litigation which may arise out of his revelation that depositors have been exploited over the years. We would like the agricultural sector to be revived. It is good the Minister addressed this issue in his Budget Speech. We believe that the issues he raised in the agricultural sector did not have the force that we expected.

Two days to the Budget Speech, we read in the newspapers that the Minister for Agriculture had stated that Kshs2 billion would be availed to sort out the crisis in the sugar industry, to pay the Nzoia, Chemelil and Muhoroni farmers. Interestingly, this figure has not been factored in the Estimates. We wonder whether this actual commitment on the part of the Government will be implemented and if so, how it will be implemented. We would have liked the Minister to come out a little bit more specifically on the reforms he was going to undertake in the agricultural sector. Nothing

was mentioned about the fishing and tea industries. Little was said about milk and coffee. As you know, agriculture is the mainstay of our economy. We would have expected more emphasis to be placed in that area through the Budget.

It is good that construction and housing will grow by 16 per cent. This is the one area where most of the employment that the NARC Government has been talking about will come from. We fully support the Minister on that. We do hope that when most of our activities will be geared in the direction of construction, the so-called "cowboy contractors" will not participate in this initiative. Otherwise, we will pump a lot of money in this sector and I can assure you that at the end of the day, nothing will come out of it.

The Government must seriously address itself to this issue of cowboy contractors. It must seriously address itself to this issue of pending bills, some of which we know are not genuine. Some of the people who are actually involved in creating these bogus bills may find their way into the new Government programme of construction, with a view of just trying to frustrate their initiative.

Mr. Temporary Deputy Speaker, Sir, the Minister factored about Kshs2 billion dollars in his Budget, which represents about 20 per cent of the Budget. We would like to know how this money will be raised because we know that in the past, the donor community has always insisted on us meeting certain conditionalities which are tied to this Kshs2 billion. Are we in a position to fulfil those conditionalities? You will remember, in the last financial year, about 25 per cent of the Budget was to come from the donors who said we were to meet the conditionalities that they had placed before us. This forced the Government to resort to domestic borrowing. Are we facing the same scenario this time round, or have the Minister and the Government actually struck a deal with the donors regarding this Kshs2 billion?

Mr. Temporary Deputy Speaker, Sir, the Civil Service reforms are very important. There is a very big disparity in the salaries paid to civil servants at the top level and the junior civil servants; that is, the middle-level cadres and below. These reforms should aim at harmonising these salaries of very senior officers with those of junior officers so that all cadres of civil servants are motivated in implementing the reforms of this Government.

The tax reduction is welcome, but we would also like the Minister to try and make sure that tax evasion is minimised because there are a lot of activities which deny this Government revenue all the way from the port to shops that are supposed to collect VAT on behalf of the Government. We want the Minister to see to it that efficiency in revenue collection is improved and that tax evaders are punished without favouritism. The Minister should also come up with an incentive to those who comply with tax rules; that is, those who pay their taxes on time and those who pay without cheating. Some form of incentive should be introduced to ensure that more people become tax-friendly. We have had the problem of sugar importation in this country. We want the Minister to strengthen the Customs Department, to ensure that importation of sugar is minimised to the required 200,000 metric tonnes.

It is only yesterday that Mr. Osundwa was dismissed from his position for agitating for the sugar industry. We thought this Government was farmer-friendly. We thought this Government had made a commitment to the people of Western Province, that they would address the issue of the sugar industry once and for all. When somebody talks about the industry and he ends up the way Mr. Osundwa ended up, it sends very worrying signals to those of us who come from this region. Is there a possibility that these barons have infiltrated the new Government to an extent where they want to start dictating issues the way they used to do in the past Government?

We would like the Government to seriously address itself to this issue of the sugar-cane farmers because it was a pledge they made and people are waiting. When you look at the Budget, not very much has been said about the sugar industry. So, people are waiting for the pledge that the industry's problems will be addressed once and for all.

With those few remarks, I beg to support.

**Mr. Koech:** Thank you, Mr. Temporary Deputy, Speaker, Sir, for giving me this opportunity to join my colleagues in talking about the Budget. First and foremost, I would like to congratulate the Minister for Finance, Mr. Mwiraria, for coming up with a very good Budget. The circumstances under which he worked out this Budget were not very favourable to him, but he managed to come up with a good Budget, combining all the factors and problems which he saw, and coming up with a Budget which is quite commendable. I once again commend him for this.

In order for this Budget to be implemented, we need dedicated officers. Our officers have been so much politicised over the years. Due to this, they may not be in a very good position to carry out a lot of implementation. I do hope the Minister will ensure that there are some refresher courses for the retraining of public officers so that they can change their attitude from that one of getting something out of the Government, to doing something for the Government.

Over the years, when people have been carrying out their duties, they have been wondering what they would get out of their positions. I think we should now get officers who will be dedicated to serving this country and see what they will do in an office they have been appointed to. When we have these kind of officers, then we shall have moved a long way in developing this country. I appeal to the Minister for Finance to organise refresher courses for officers of all cadres so that they can change their attitudes and actually become civil servants because the word "civil" has been changed so that somebody can work for his own benefit.

Mr. Temporary Deputy Speaker, Sir, I join other hon. Members in requesting the Government to harmonise salaries for public servants. There are great disparities in the salary structure in the Civil Service in this country. Some civil servants earn over Kshs1 million per month, while others earn Kshs3,000 per month. A civil servant earning Kshs3,000 per month has children to feed, educate and provide with medication when they fall sick. As we all know, when both get a prescription from a doctor, they buy drugs at the same price. There are no drugs for the rich or poor. Therefore, the disparity in salaries should be addressed. The Government should harmonise salaries of the Civil Service. We should harmonise salaries of civil servants, teachers and employees of the Judicial Service Commission. We should avoid situations where we only increase teachers' salaries because they can shout loudest. This is very serious and it must come to an end.

Mr. Temporary Deputy Speaker, Sir, I congratulate the Minister for Finance for allocating more funds for development of roads, water and education. These are key Ministries. I do hope that in the next fiscal year, there will be more allocation to development expenditure. The Government has been spending a lot of resources on unproductive projects. If we are going to spend so much on unproductive services, then this country will not develop. It is high time we looked at the total Government expenditure, and reduce on the recurrent expenditure and increase on development expenditure. Looking at the previous Budgets, the recurrent expenditure is still very high. We all know that most of this money is used to pay salaries. Civil servants are paid salaries, but they work under poor conditions. I hope the Minister will be very strong enough to ensure that unproductive institutions are done away with. For how long is this country going to support unproductive institutions?

We should transfer the monies which are allocated to those institutions to more productive sectors of the economy, for example, agriculture. If we will not be serious and develop agriculture, then we will continue living in poverty. This country has a wonderful climate. It has wonderful vegetation zones. We can produce everything under the sun. We have the Coast Province with its own resources, which are conducive for agricultural production. We have the highlands and the western regions, which are also productive. God has blessed this country. Even when He sits in heaven and sees us buying food, He laughs and condemns us. The Government should not continue importing food when we can grow enough. The Government should invest more on agriculture. Let us have

more agricultural extension officers instead of chiefs and assistant chiefs in our locations. It is a pity that we have many of assistant chiefs in a location and no single agricultural extension officer. Do we really have the right thinking when we have such people? For us who keep cattle, we do not have veterinary officers in the locations and yet we have five assistant chiefs and chiefs. What do they do to contribute to this country? I think it is high time that we became serious and did more things which will increase production in this country.

Mr. Temporary Deputy Speaker, Sir, while I am still on agriculture, I would like to thank the Minister for Finance for allocating funds which will be used to purchase the KCC 2000 from the looters who bought it at a throwaway price so that the Kenya Co-operative Creameries (KCC), once again, is owned by the farmers. I have struggled so much to protect the KCC, but when I saw it go, I nearly shed tears. When farmers were being asked to join the KCC 2000, I did not see anything good about the whole thing. I found there was no need even to encourage them to buy shares in the KCC 2000. It was a great joy to me and to my constituents that the KCC will now revert back to the farmers. I would like to appeal to the Government, when constituting the board of directors of the KCC, to look for people of integrity to run the KCC. We have a future with the KCC in this country. I congratulate the Government very much for making sure that KCC is owned by farmers.

Still on agriculture, Mr. Temporary Deputy Speaker, Sir, I would like to ask the Minister to allocate more funds to water development so that we could get water for livestock and also for irrigation. In areas where there are no rivers, the Government should build more dams to store water.

If we saved from excesses in Government expenditure, we could build so many dams in our country. To build a very good dam, we will require Kshs1.5 million. If we reduced the amount of money we spend on telephone bills in the offices, especially in the Ministers' offices, we could build a dam in every constituency in this country. I would request the Minister to regulate telephone bills in Government offices by giving them the maximum amount they can spend on telephone. In some other countries, Ministers are allocated a maximum amount of money to spend on telephone bills, but if they spend more, they have to foot it from their pockets. If there is no discipline, and because we are a talking nation; if we are given telephones, we can talk for even one hour. The amount of money we spend on telephone bills is colossal. I do not have the figures, but one of these days, I am going to request the Minister for Finance to give us a breakdown of the amount of money spent by each Ministry on telephone bills, just to prove that if saved on cost, we could do a lot of things for this country.

Mr. Temporary Deputy Speaker, Sir, I would like to comment about industrial development. If we are going to liberalise so much and allow any goods to come in, then we are going to destroy this country. The Minister should ensure that duty is paid for all the goods that are being brought in and also, that substandard goods are banned forever. When you talk about liberalization in other countries, they do not open their markets so much to the detriment of their economies.

With those few remarks, I beg to support.

**Mr. Kajwang:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. I want to thank the Minister for Finance for giving us very revolutionary proposals in this year's Budget. I will give my reasons why I thought it was revolutionary and, to a large extent, clever.

Mr. Temporary Deputy Speaker, Sir, we were given a Budget which targeted growth. It also talked about poverty reduction and creation of employment. I think that was repetitive because when you talk about growth, then, definitely, you are dealing with poverty reduction and you are creating employment. But you cannot talk about growth unless you target certain key sectors in this economy. I think the Minister did a good job.

First of all, he targeted infrastructure, insecurity, support to agriculture, the cost of doing business and so on. But a few more things were not touched in infrastructure, particularly. What is destroying us is not only the lack of roads, but the poor condition of those roads. In my own



constituency, there is nothing that could be called a road. You cannot expect any person to do any business, even if it is a fish business like my constituents do, if there are no roads.

We are blessed with waterways in my constituency or in Nyanza Province, generally, but we hardly use them. We used to use them during railways and harbours. But when the railways and harbours collapsed and it became Kenya Railways, we no longer use a very cheap way of transport called waterways. If you look at our roads, the problem has been corruption. A road is built and before it is completed, it has been damaged out. It needs to be done again and sometimes the Government even pays for it. Sometimes the Minister does not even want to take it over because it has not been done properly. But in those days of the KANU Government, you would have to take it over and pay for it.

Mr. Temporary Deputy Speaker, Sir, the telephone, although a very expensive gadget or very expensive way of communication, is a necessity. It is no longer a luxury. Cellular phones are no longer a luxury. I think the Minister thought that it was a luxury. In my constituency, there are no telephone lines and the only way of communication now available is the cellular phone. So, when we tax a villager who wants to speak to her son in Nairobi, we are making a big mistake. First of all, we have not given him the fixed line, and then we can think that the cellular phone is a luxury. I think the Minister will consider, when we come to the Committee Stage, to propose some amendments to remove that additional tax on cellular phones.

Mr. Temporary Deputy Speaker, Sir, energy is still too expensive although it is not available in my constituency. Nobody is going to invest, even me, Kajwang, as poor as I am. If somebody gave me Kshs100 million, I would think twice before I invest in Kenya. How do you invest where there are no roads? The rail transport from Mombasa to Nairobi takes ages and when you arrive, it is more expensive than from Kampala to Durban. When you want to cross quickly to Jinja you cannot use the waterways, but you have to go round. It is so expensive. Why should I invest in a country where telephone services are too expensive and unavailable? Why would I invest where the energy cost is twice costly as it is in South Africa or Zambia? I would go somewhere else. Even me, who is so patriotic and I love Kenya, if you gave me money, I may think twice before I invest it here. But I think the Minister allocated sufficient funds for infrastructure; of course, he did not have enough. We hope that in the next five years, we will see our roads, railways and telephones working again, and our power cheaper, and we do not pay for jobs not done. That way, we shall save a lot of money.

Mr. Temporary Deputy Speaker, Sir, I think the Minister also targeted security. Nobody will put his money where he will be shot dead or likely to be robbed. Whether it is terrorism, mugging, carjacking or *Mungiki*, nobody will put his money where he is likely to lose it. The Kshs300 million that was given to the police to buy vehicles, guns and increase their salary a bit was a bit insensitive. In fact, the Minister gave more money to the prisons than to the police. That is a contradiction in terms. I do not even know why our magistrates have not realised that keeping people in prison is too expensive for this country. There is no food, space and medicine. In fact, we take them to die there. There was somebody who was arrested at Lilian Towers for inciting a strike. There was no strike. He was taken to court, charged with others and bonded at Kshs200,000! It is now three weeks and he is still in the Industrial Area Remand Prison. Who is feeding him? Our magistrates have not realised that taking people to remand prisons, who could otherwise be fined Kshs1,000 if they are guilty--- The Chief Justice should give lectures to our magistrates, so that, they know what they supposed to do. They have even been advised on the new law of Community Service Order. They do not want to use it because they love to fix people. When they take you to jail, they enjoy it. Something should be done.

Mr. Temporary Deputy Speaker, Sir, on the AGOA facility, America has been good to us. It is saying: "Sell as much apparels as you can in America, so long as it comes from Kenya". The Minister has not thought that revamping cotton can develop this country. We can grow it, gin it and re-start Kicomi, Rivatex and Raymonds. We can sell those materials to America, make money and create jobs

both in the farms and industries. The jobs would include weaving, textile and garment making. We are now making garments with textiles from Pakistan, Singapore and East Asia. They have said that after 2006, we will not sell our apparels if the cotton or the yarn does not originate from Kenya. The Minister has not seen the importance to revamp the moribund Kenya Cotton Board. Since the late Mr. Jaramogi was its chairman in 1979 or 1980, I have never heard of the Kenya Cotton Board again. At that time, it was almost a Ministry because we had put emphasis and money in it, and we grew cotton.

Mr. Temporary Deputy Speaker, Sir, the Minister has also forgotten that a sickly nation cannot grow. We are a sickly nation. In my constituency and Nyanza, generally, malaria is killing more people than HIV/AIDS. Nobody is putting money in malaria, but HIV/AIDS. It is because HIV/AIDS is a sexual disease and it is something exciting. Malaria is killing many children. Out of 1,000 children born in my constituency, 40 die of malaria and nobody is thinking about it. The only way to help is to deal with the cause of malaria, which is mosquitoes. We used to kill mosquitoes using DDT in 1960. In the entire Nyanza, after DDT was used in 1967 and 1968, there were no mosquitoes for ten years, and we grew up. Otherwise we were dying! The only disease I knew at that time was malaria. If there was no chloroquine, I would have died a long time ago. But nowadays, this drug does not cure malaria. These days, the drugs which are used for the treatment of this disease are too expensive for our people to afford. This is the case, and yet the Minister has not realised that malaria is finishing our people. If the Government wants to assist those people, then it should kill the mosquitoes. The Government should not deal with mosquitoes by allowing people to import mosquito nets. The people who import and sell mosquito nets in this country are promoting their industries in Europe. The Government should deal with malaria more effectively by killing mosquitoes with the DDT insecticide, even though we were told that it is a dangerous insecticide.

Next time the Minister for Finance writes another Budget, he should do something about construction of dams to hold water for our livestock. If the Government builds one dam worth Kshs5 million in every constituency in this country, it will have done a good job. Again, if the Government builds one dam in every constituency every year in five years, it will have done a very good job for livestock farmers in this country. The Government should set aside some money for construction of dams in this country.

Finally, I would like to say that this Budget did not touch on the sugar industry.

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

**Dr. Ojiambo:** Thank you, Mr. Temporary Deputy Speaker, Sir. I also want to commend the Minister for Finance for the people-friendly Budget he read in this House last week. I would like to commend this Budget because it has made people in all parts of this country to believe that it was their Budget. The hon. Members who are criticising this Budget should come up with their alternative budget so that we look at it and seen how best they could have done it. The time when the Minister for Finance was drawing up this Budget, as we have been told by the various hon. Members who have spoken, was very difficult for this country. We really commend the Minister for Finance for what he did.

Having said that, I would like to urge the Minister for Finance to ensure that revenue collection in this country is improved, because we have lost a lot of money to people who do not want to support this nation. These people take money out of this nation but do not return it. This is particularly the case with the people who have imported cheap goods into this country from other countries. These people sell these goods to our people and do not pay duty. The revenue authorities have always targeted those people who earn salaries but forget that salaried people are very few. The majority of Kenyans who get a lot of money from their businesses do not even look for employment.

Mr. Temporary Deputy Speaker, Sir, there are a few areas which I feel the Minister for Finance should look into because he did not cover them well in his Budget. One of these areas is the education sector. While I commend the Ministry of Education, Science and Technology for the good

work it has done; and the Minister for Finance for allocating it 20 per cent of the entire Budget, I do feel that adult education should have been allocated more money. This is because it is very important for the empowerment of the workers of this country, women being the majority. Many women benefited from adult education, and particularly from functional education. This type of education has helped them learn quickly how to run businesses and communicate amongst themselves. Our people will become illiterate if there is no adult education. I would like to urge the Minister to consider adult education as an important subsector of the education sector. As the Ministry of Education, Science and Technology continues to support primary education, it is important for it to think quickly about secondary and university education. This is because, very soon, the children who will have gone through their primary education will outnumber the available secondary school places in this country. I would like to propose that more secondary schools should be built to accommodate the large number of children who will soon be through with their primary education. If this is not done, we will have a very difficult problem in the near future.

I would now like to say something about the Fisheries Department and the fishing community, particularly the one which lives around Lake Victoria. This is one subsector the Minister for Finance did not touch on. We feel that the fishing industry is very important because it fetches this country foreign exchange. Furthermore, fish provides important protein to our people. The people who live around Lake Victoria have suffered a lot because they do not have another source of income when they fail to sell their fish. These people are very poor.

Mr. Temporary Deputy Speaker, Sir, we remember that two years ago, the European Union (EU) banned exports of fish from this country because of our poor hygienic standards. This situation has not improved much. Some measures were taken to improve the hygienic conditions at that time, but they were not enough. Because fish requires a clean environment all the time, I feel that a lot more needs to be done now. The fishing community should also be supported so that it can produce high quality products for export.

The other area I wanted to touch on is taxation on jewellery. Whereas increased taxation is important, according to the Minister for Finance, this sector is very important to the women of this country. Women wear jewellery items as of necessity and not for luxury. We should allow our girl child and her mother to look beautiful. If we make these items expensive to the extent that husbands are unable to buy them for their wives, we will not be doing this nation any good. To increase tax on jewellery because it is beautiful is not good. The Minister should look into this issue again so that he does not overtax women. Secondly, jewellery trade creates jobs. Women make jewellery products and sell them. If we increase the tax levied on jewellery, some of these women will not sell their products. This business will become unprofitable and many people who deal in jewellery will not get their income.

I would like to say something about the development of the cotton industry. Some of the areas in this country which grow cotton do not have any other income-generating activity. This is the case with the areas in the lake region, whose residents depend on this crop for their livelihood. So, the development of cotton is very important, just as the previous speaker has said. The African Growth Opportunity Act (AGOA) will mean nothing to us until we develop this crop. Research should be carried out on cotton, to improve its yield and quality so that it can compete in the international market. It is important for the Minister for Finance to support the development of this crop.

On housing, the development of this subsector is very important in this nation. This is because some workers do not have a house to sleep in. These workers walk up and down, go home and sleep under polythene bags. They do not sleep well enough to feel relaxed the following day and work for this nation. This is being experienced not only here in Nairobi, but also in the countryside. There are some people who do not have adequate sleeping space. It is important that in the next Budget, the Minister thinks about housing development in this country as an important aspect of this

nation's development.

Lastly, I want to talk about insecurity. Insecurity is a worry to all of us, and especially for those of us who live near the border, it is continuing to be a big menace. Those who are away from Nairobi sometimes think that it is safer, although it may not be safe. I want to say that, for those of us who live along the border, it is very important that security is intensified.

You will find that a full-fledged police station does not even have a pick-up or a Land Rover, yet it is full of policemen who cannot walk out in the dark, because they also lack electricity. It is important that the police stations, particularly those in areas without electricity, are given means of transport. They can then move around and supervise the villagers who are having a very rough time. This time, when you go to a village, maybe, a whole sublocation has been raided. People raid and leave them without any household furniture and equipment.

Mr. Temporary Deputy Speaker, Sir, it is very important for the Minister to consider the issue of insecurity. I want to support those who said that the Kshs300 million allocated to the police is very little. It is little because during the NARC campaigns, we used that on platforms and told the policemen that we would improve their living conditions. The allocation of Kshs300 million is very little to give them vehicles, uniforms and working tools.

With those few remarks, I beg to support.

**Mr. Bahari:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the spirit of this Budget. But I stand here a very worried man because while the statements are very good intentioned, the practical steps outlined by the Minister may not be realisable at all. That is a worrying situation because if anybody wants to turn round this economy, he or she must give a lot of attention to agriculture. It is the mainstay of this economy and as you may realise, not a lot of measures have been put in place in this Budget to revive agriculture. I wonder how we are going to turn round this economy when no serious attention has been given to agriculture.

Manufacturing is a very important sector of this economy, and I find that in the Budget, while manufacturing was growing at 1.2 per cent last financial year, the projections we are given are 8.6 per cent. One feels that though the measures put in place are good, we may not be able to realise this. The growth from 1.2 to 8.6 per cent is quite substantial in the manufacturing sector in an economy like ours, where we know the demand is very low. One needs to completely go out of his or her way, to put in place mechanisms that are going to realise that growth. I even doubt whether we can achieve half of what has been projected. I know certain positive steps have been taken to allow investors to come into the country, but when are we going to realise the benefits of all that? It is going to take some time.

Mr. Temporary Deputy speaker, Sir, the livestock sector is very important for the marginal areas, and 50 per cent of livestock in this country are found in those areas. So, in order to improve the living standards of the people in those areas, as promised by His Excellency the President, a lot of attention ought to have been given to the livestock sector. Very little resources have been directed to the livestock sector. Adequate financial resources ought to have been provided for tackling of livestock diseases, putting up of abattoirs, which are very necessary for processing of livestock products. The only livestock-related thing that is covered by the Budget is hides and skins, in respect of which very little concession has been given.

So, when the Government says that it is giving special attention to marginal areas and the economic mainstay of that region is not addressed, what does it mean? It simply means that the communities whose economic mainstay is livestock have been given lip service. That is very unfortunate, especially so when the people's expectations have been raised time and again. It is not the speeches that are going to solve the problems of people in those areas. It is the practical measures that are put in place through the Government's fiscal and monetary policies, as well as in the Budget, that can improve the living standards of the people in marginal areas, whose economic mainstay is

livestock.

Mr. Temporary Deputy Speaker, Sir, in his Budget Speech, the Minister said that Kenyans are expected to realise, through the measures he is going to put in place, value for their money. That is a good statement; we would like to support it. However, the adequate guiding mechanisms by which to achieve this objective have not been outlined. It is important that such mechanisms are outlined at an early stage. Proper control mechanisms should be put in place.

The Minister further said that the Government is going to keep track of public expenditure, but that requires use of information technology or computerisation of Government institutions. Unfortunately, some of these things are taking so long to be implemented. How are we going to keep track of public expenditure? That is a good statement, but practical steps need to be taken. These practical steps have not been taken. So, ultimately, there is going to be a mismatch. The Minister will say things, but the practical measures will not be put in place.

In order to enhance transparency, it is important that Ministries publicly display at the departmental level in the districts, the funds that they have received, so that they are known to the public. At the same time, they should specify how they are going to spend their development funds. It is very important that this is made public, so that every Kenyan, particularly at the district level, can know about it. Heads of departments should not keep to themselves the development funds that have been allocated to departments in the district. It is that kind of transparency that is going to eradicate corruption and put the implementers of the Budget on their toes. Very good Budget Speeches have been made here by previous Finance Ministers; the problem has been implementation of those Budgets. We cannot be sure that the same will not happen with the current Budget.

Mr. Temporary Deputy Speaker, Sir, while economic viability should be a consideration for resource allocation, there are instances where the Government must go out of its way and make a deliberate effort to address the imbalance that has existed. In other words, the Government should also look at social viability. In this case, it looks as if most of our resources have been allocated, as has been the case in the past, to areas where maximum returns are expected. We need to go out of our way at one given time and change the fundamentals by looking at the social viability. We need to improve our institutional capacity. In particular, heads of departments need to be trained. Heads of departments are managers in their own right. If you are an engineer, you need to have knowledge of financial management. They also need to be equipped with public relations and human resource management skills, so that they can be all-rounders.

So, the managers of our institutions must be trained. I am certain that they are ill-equipped in these areas. There is no way they can implement Government policies and get any meaningful results if they are not properly skilled. So, the issue of training, which has been neglected for a long time due to financial constraints, must be addressed properly. More often than not, organisations or countries do not find staff training a priority. If they stop training their staff, you will see what kind of mess they will be in. It is important that we take note of this aspect and make our managers, particularly at the district level, where we have heads of departments, all-rounders, so that they get to know how to handle members of the public and be effective in utilising the resources that are available to them.

Mr. Temporary Deputy Speaker, Sir, I would now like to turn to the local authorities. While we appreciate the fact that the Local Authorities Transfer Fund (LATF) provisions have been increased by 25 per cent, which is a good thing, there are urgent steps that need to be taken in the area of local government, particularly in the area of human resource. The quality of persons who are running our local authorities is wanting. Therefore, we need to focus in this area. Even if resources are allocated to local authorities, they will not give us good results on their own. There must be skilled and competent persons who are willing to meaningfully utilise those resources. For example, in the local authorities, there has been runaway corruption. So, it is important that we overhaul the entire leadership of local authorities.

While I appreciate that the area of energy has been addressed in terms of the cost of electricity, I must wind up by saying that alternative energy sources have not been explored in this Budget.

With those remarks, I beg to support.

**Mr. Serut:** Mr. Temporary Deputy Speaker, Sir, I thank you for the opportunity. Budget is about numbers and ultimately good governance.

I will start with education. The Minister for Finance has done so well. He has allocated Kshs71 billion to the Ministry of Education, Science and Technology. But the way in which the National Rainbow Coalition (NARC) Government has proceeded to administer the free and compulsory primary education programme leaves a lot to be desired, especially with regard to marginalised areas. In those areas, there are no schools to be repaired. We are being given money to repair classrooms which do not exist in the first place.

With that in mind, I request that part of the Kshs71 billion allocated to the Ministry of Education, Science and Technology be given to schools in marginalised areas, such as Mount Elgon District, to put up classrooms and purchase desks, so that when the Government provides money for repairs, such schools will also have classrooms to be repaired.

Mr. Temporary Deputy Speaker, Sir, the road sector has been allocated a substantial amount of money, but roads in marginalised areas have not been upgraded up to now. What is happening is that the money allocated to roads is for maintenance of murrum roads. There has been an argument that upgrading of any road will depend on the traffic flow on it, but I want to state that traffic flow on any given road depends on its condition. If roads are not good, definitely traffic on those roads will be less. There is no way you will experience heavy traffic along those roads. As such, I would request that this money be given to the Ministry of Roads, Public Works and Housing. Let the money be used to improve roads in the marginalised areas. Let the Ministry identify a road or two which pass through these areas for upgrading. If this is done, we will have good roads in those particular areas.

Mr. Temporary Deputy Speaker, Sir, coming to the area of agriculture, most speakers here have said that agriculture is the backbone of this country. That is correct, but surprisingly, the improvement of the agricultural sector seems to be only through the repossession of KCC, the revival of AFC and the co-operative sector, and improvement by way of research on the productivity of various crops. The Budget is not talking about anything concerning the inputs used by the farmers in this country. The maize farmers who feed this country have been left out. However, coffee farmers have smiles on their faces because their cases have been considered.

Fish farmers are not mentioned in this Budget. I would like to congratulate the previous Finance Minister for having waived duty on the fishing gears. This time round, there is no mention about the fish farmers. On tourism, the Minister only talked of incentives to the Kenya Wildlife Service (KWS), the film industry and, maybe, involvement of the local communities. However, he did not talk of coming up with other new tourism destinations. In Mt. Elgon, we have Chepkitale which is viable for tourism. I know the Government gets a lot of money from the Mt. Elgon Forest. I would very much appreciate it if the Minister for Tourism and Information considered improving the facilities in Chepkitale region.

When it comes to livestock, the money which has been allocated is Kshs700 million for livestock and crop disease. I find this amount to be inadequate because most of the ASAL areas are generally livestock areas and they require a lot of money. They depend on livestock for their survival and there is no way they are going to change from that lifestyle.

Mr. Temporary Deputy Speaker, Sir, next is the question of the mobile phones. As we all know, the telecommunication sector seemed to have surrendered immediately the mobile phones came into use. Unfortunately, the Minister has gone ahead to increase the cost of airtime on mobile phones by 100 per cent. We would request, as Kenyans, that this figure be reduced from 10 per cent to 7 per cent, so that more Kenyans can use this facility to communicate.

Mr. Temporary Deputy Speaker, Sir, another area which requires boosting is the police department. In this country, many of our policemen are living in pathetic conditions. Three or four policemen are crowded in a cube measuring 12 by 12 feet. For how long are we going to have these officers living in this pathetic condition? They have families and most of them, in fact, are forced to resign because of poor living conditions. It is my considered opinion that the police force be given extra money, other than the Kshs300 million which is the proposed allocation here. Let this figure be doubled so that they are able to buy enough equipment, complete construction of their stalled houses, and rehabilitate the old ones.

Mr. Temporary Deputy Speaker, Sir, on the other hand, the police officers should not forget to respect the rule of law, because they are the ones who are actually supposed to protect life and property.

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

### QUORUM

**Ms. Mwau:** On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum!

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

*(The Division Bell was rung)*

### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Khamasi): Hon. Members, due to lack of quorum, it is now time for the interruption of business. The House is, therefore, adjourned until Tuesday, 24th June, at 2.30 p.m.

The House rose at 6.05 p.m.