

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 27th June, 2001

The House met at 9.00 a.m.

*[The Temporary Deputy Speaker  
(Mr. Musila) in the Chair]*

## PRAYERS

## NOTICE OF MOTION

### APPROVAL OF TAXATION MEASURES

**The Assistant Minister for Finance and Planning** (Mr. Marrirmoi): Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, Customs Tariffs, Excise Duty, Value Added Tax, Income Tax and miscellaneous fees and taxes contained in the Financial Statement for the year 2001/2002 be approved.

## ORAL ANSWERS TO QUESTIONS

*Question No.362*

### DISTRICT TREASURY FOR MBOONI SUB-DISTRICT

**The Temporary Deputy Speaker** (Mr. Musila): Is Mr. Kalulu in?

**An hon. Member:** He is still sleeping!

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Kalulu is not here, and last Wednesday he was also not here. I think, as the Chair ruled, no one should expect the Chair to come back to this Question. So, once we have called a Question and the Questioner is not there, we just move to the next one. So, I am not going to have a second round.

**Mr. Anyona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. It has been a tradition of the House for Oral Questions to be repeated, and now you are saying that, that will not be the case any more. Are we changing that tradition or practice, by the ruling of the Chair or in which manner is this being done?

**The Temporary Deputy Speaker** (Mr. Musila): As I said, last week, the Chair indicated that when Questions are put on the Order Paper, those responsible for those Questions must not stay away hoping that the Questions will be repeated a second time. Indeed, the Chair posed a question: "Supposing everyone who has a Question on the Order Paper decides to ask the Question during the second round, what will happen?" Anyway, perhaps, that is a matter to be revisited.

In the meantime, proceed, Mr. Achola, and ask your Question!

**Mr. Achola:** Mr. Temporary Deputy Speaker, Sir, I have not received the written response to this Question.

*Question No.395*

### LICENSING OF SMALL APERTURE TERMINALS

**Mr. Achola** asked the Minister for Transport and Communications whether he could allow all Internet Service Providers to operate Very Small Aperture Terminals (VSATs) to connect to the internet backbone abroad.

**The Assistant Minister for Transport and Communications** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I am sorry if Mr. Achola has not received the answer. It certainly was brought to the House last

night, because I personally supervised the preparation of this answer. I am sure he will get a copy after this.

**The Temporary Deputy Speaker** (Mr. Musila): By the way, Mr. Keah, when you say the answer was brought last night and yet this is a Question the Minister has been having all along--- Now, I am sure the office of the Clerk was not open last night. So, that probably explains why Mr. Achola has not received the answer. So, please, could we get written answers earlier than "last night"?

**The Assistant Minister for Transport and Communications** (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, every effort will be made to ensure that answers are made available earlier than "last night". But you do appreciate that we have to get information from the field, and that process sometimes takes much longer than "last night".

With due respect, I beg to reply.

It is not possible to allow all internet service providers to operate Very Small Aperture Terminals to connect to the internet backbone abroad, at this point in time. The Government, however, is in the process of reviewing the Sector Policy Statement formulated in 1998 and which became operational in April 1999, and gave exclusivity to Telkom Kenya in order to remove barriers that impede faster development of the telecommunications sector in Kenya.

Licensing of telecommunications systems and services in Kenya is governed by the Telecommunications and Postal Policy of 1999 which is currently in force. This policy was approved by Cabinet as the official Government policy, and it is the policy which sets the restructuring of this sector and the setting up of the Communications Commission of Kenya, the Postal Corporation and Telkom Kenya Limited. It should be noted that the exclusivity policy was to last five years and it was given with a view to making Telkom Kenya marketable for privatisation, in addition to ensuring that we do not lose our sovereignty and endanger national security. As earlier stated, this policy is currently under review, and the outcome of the review will be made known later this year, once the review is complete.

**Mr. Achola:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has given a very unfortunate answer to this Question. Our neighbours next door, in Uganda and even the less developed Tanzania allow their internet service providers to access the internet backbone abroad without any problem. I would like to put it to the Assistant Minister that the only reason they are controlling this, is because they want to have a view of what is going on in the internet. In view of what I have said, could he consider changing that policy which gave Telkom Kenya exclusivity over VSATs?

**Mr. Keah:** Mr. Temporary Deputy Speaker, Sir, I have already said that since this sector policy was promulgated, we have, as well as the Communications Commission of Kenya, been receiving complaints. We are not silent to the complains we have been receiving. It is because of that, that I want to assure this House that the Ministry of Transport and Communications, as well as the Communications Commission of Kenya, is reviewing that policy with a view to ensuring that there is no impediment to the development of the telecommunications system in Kenya.

**Dr. Ochuodho:** Mr. Temporary Deputy Speaker, Sir, as required by the Standing Orders, I would like to declare my interest. I have got interest in Kenya's highest internet service provider. Having said that, I have here a copy of the Telecom Sector Policy Paper which the Assistant Minister is talking about. It gives Telkom Kenya exclusivity with regard to VSATs. I also have a copy of the Communications Act which was enacted by Parliament while the Telkom Kenya Policy Paper was approved by the Cabinet. The Communications Act, Section 5(5) states as follows:-

"Any policy guidelines, rules and regulations issued by the Minister shall not give monopoly or duopoly to operate telecom systems of any kind."

These include VSATs. Could the Assistant Minister tell us - now that Parliament enacted a law saying there should be no monopoly in Telkom Kenya even with regard to VSATs - if somebody decided to have a VSAT today, under what law would they charge such a person?

**Mr. Keah:** Mr. Temporary Deputy Speaker, Sir, I do appreciate what the Communications Act says. My response to the issue he has raised with regard to the Act is that the implementation process in so far as the VSATs are concerned is very slow and I can assure this House that it is part and parcel of the review process that is in place.

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

**The Temporary Deputy Speaker** (Mr. Musila): Order, Dr. Ochuodho! You have asked your question--- If you want to make a rejoinder, then that is another issue.

**Mr. Anyona:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has said that the policy is behind the law. We make the law in order to break any barriers towards the implementation of the policy. The law

has been made and it means what it says. If you do anything contrary to that, then you are breaking the law. What is he going to do in order to comply with the law? He has to comply with the law!

**Mr. Keah:** Mr. Temporary Deputy Speaker, Sir, we are in the progress of implementing the law. It takes time to implement every clause within the law.

**Mr. Achola:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister give an undertaking to the House that this particular policy will be reviewed as soon as possible? We want the internet services to be accessible to majority of Kenyans because that is where the world is going!

**Mr. Keah:** Mr. Temporary Deputy Speaker, Sir, I have given that undertaking that the review is in progress and I will be able to come back to this House with the review as soon as it is completed.

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

**The Temporary Deputy Speaker (Mr. Musila):** Dr. Ochuodho, you must distinguish between asking a question and standing on a point of order. Let me hear what your point of order is.

**Dr. Ochuodho:** Thank you, Mr. Temporary Deputy Speaker, Sir. The Communications Commission Act became effective in July, 1999. Is the Assistant Minister in order to tell us that they are still implementing it when the law has already come into effect?

**Mr. Keah:** Mr. Temporary Deputy Speaker, Sir, I am not misleading the House. I am aware that the law became effective in July, 1999. But it is not every aspect of the law, that becomes effective today, is implemented today! There is a process to be gone through and arrangements to be made. There are also procedures to be worked out and that is what is on-going now!

*Question No.226*

AFC LOANS WRITE-OFF

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

(a) whether he could inform the House why Agricultural Finance Corporation (AFC) interests on loans were not written-off as recommended by the House on September 17th, 1996; and,

(b) when the recommendation will be implemented.

**The Minister for Agriculture (Dr. Godana):** Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) The AFC is in the process of compiling and reconciling the total loans portfolio in order to ascertain, with complete accuracy, the amount of interest to be written off before the information can be submitted to the Government to facilitate the preparation of a Sessional Paper to be tabled in Parliament. This exercise has taken long due to the diversity of the loans portfolio and given the fact that the loans that were defaulted were in various stages of recovery when the House passed the Motion on 17th November, 1996. In other words, the Motion did actually contribute to more defaulters.

Writing-off interests on loans is not an easy task as it requires careful vetting and verification in order to ensure that only deserving loanees in arid and semi-arid areas of this country, who were actually affected by the drought, benefit from the recommended interest write-off.

(b) The recommendation by this House to write-off interest on loans will be implemented as soon as the AFC completes the reconciliation process. A memorandum will then be presented to the Cabinet for approval before a Sessional Paper is prepared and tabled before this House.

**Mr. Mwakiringo:** Mr. Temporary Deputy Speaker, Sir, the answer to this Question is nicely worded but it is not committal. The Government brought in a consultant in 1989 to restructure AFC and they recommended the writing-off of all the loans which came to about Kshs1.2 billion in that year. They recommended that AFC should be disbanded and an Agricultural Development Bank be formed. But he is telling us that they are still compiling a list of how much is owed by farmers. We would like to know when this exercise is going to be completed because the farmers of this country are suffering. There is no way we can say the Government is serious in alleviating poverty when they are not committed to giving a timeframe as to when this is going to be done and completed!

**Dr. Godana:** Mr. Temporary Deputy Speaker, Sir, I must appreciate the passion with which the hon. Questioner is involved in this issue. But he must also understand that it is not within the Minister's power to, here and now, write-off those loans. These are public funds and there are procedures which should be complied with. Unfortunately, I came to the Ministry only a few weeks ago and all I can assure him is that I will do my level best to ensure that we come to the end of this exercise within the most reasonable time.

**Mr. Kamolleh:** Mr. Temporary Deputy Speaker, Sir, in view of the Minister's answer, is it, therefore,

possible for him to let AFC headquarters write a circular to all those branches and make sure that the farmers who are suffering do not have their properties sold until such a time when AFC will have done its reconciliation so that the farmers can continue to work on their farms?

*(Applause)*

**Dr. Godana:** Mr. Temporary Deputy Speaker, Sir, I regret we cannot really do that. But I do not think there is a major problem with regard to this issue. I think the AFC management is serious. They know that we have to change the structure of AFC and that we are far behind time. We have already communicated to them that we want this exercise ended in the shortest possible time. It would be wrong for us to begin to duplicate instructions when we have already made a clear policy decision to move in one direction. Such an action would hamper the daily operations of the organisation.

**Mr. Gatabaki:** Mr. Temporary Deputy Speaker, Sir, first, the Minister for Agriculture owes coffee farmers in this country an apology for abusing their Members of Parliament who have worked so [Mr. Gatabaki] hard to ensure that the coffee farmers get their dues. We are not "vampires" and the Minister deserves---

**The Temporary Deputy Speaker** (Mr. Musila): Order, Mr. Gatabaki! Ask your supplementary question.

**Mr. Gatabaki:** We require an unconditional apology from the Minister. However, could the Minister confirm that the people responsible for crippling the AFC are the Front Bench on the Government side who took so much loans and refused to repay? What measures will be taken against the "big boys" and the politically-correct who have been responsible for destroying AFC?

**Dr. Godana:** Mr. Temporary Deputy Speaker, Sir, I take it that all hon. Members of this House are literate and would know where to find the correct record of what transpired in the House. It is obvious Mr. Gatabaki is going by the reports in the media, which often are not correct. I will advise him to read the HANSARD.

On the substantive Question asked by the hon. Member, I would like to assure this House that many years ago I also took a loan from the AFC. I paid it with interest in full although I did not get anything from my project because of the drought. So, it is not true that I am part of those who have decided not to pay. All I can assure this House is that as soon as the on-going exercise is complete, the final decision as to what will happen with AFC debts, will be decided before this House in accordance with the law.

**Mr. Mwakiringo:** Mr. Temporary Deputy Speaker, Sir, the owners of ranches, especially in Coast Province, are trying to get funding from the African Wildlife Foundation to start wildlife sanctuaries. But those efforts are being frustrated by the AFC branch managers who write them letters threatening them with the auction of their property and land. Now that the Question does not talk about arid and semi-arid areas, could the Minister address all ranches in the whole country? Could he instruct AFC branch managers not to frustrate farmers by writing them letters if he wants this House to take him seriously?

**Dr. Godana:** Mr. Temporary Deputy Speaker, Sir, with all due respect, the hon. Member is in effect asking the Minister for Agriculture to announce that the people who have taken loans from a public body, the AFC, should now be told that they are under no obligation to meet their obligations. I cannot do that.

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

**The Temporary Deputy Speaker** (Mr. Musila): Order! I expect hon. Members to know the rules of the House. The Chair is speaking and some of you are shouting points of order! That is not procedural! Let us hear your point of order, Mr. Mkalla.

**Mr. Mkalla:** Mr. Temporary Deputy Speaker, Sir, will I be in order to request the Minister for Agriculture to instruct the AFC to stop any further charges of interest rates?

**The Temporary Deputy Speaker** (Mr. Musila): Order! Mr. Mkalla, that is not a point of order, but a question.

**Mr. Obwocha:** Mr. Temporary Deputy Speaker, Sir, the Chair can appreciate that this Question affects the lives of many Kenyans. Therefore, is the Minister in order to evade answering a very important supplementary question raised by Mr. Kamolleh? Since the reconciliation and restructuring of the AFC is going on, could he instruct the AFC not to sell all the properties that have been advertised for sale until this exercise is completed?

**The Temporary Deputy Speaker** (Mr. Musila): I will give the Minister a chance to answer that question in view of its importance. But certainly, Mr. Obwocha, that is not a point of order, but a question.

**Dr. Godana:** Mr. Temporary Deputy Speaker, Sir, I assured the House, and for the avoidance of doubt I want to repeat, that I have already instructed all concerned that I want this exercise to come to a speedy end. We

do not want people to keep on postponing it. I regret that I was not in the Ministry since 1989. But I cannot at this point give another instruction. It is not within my powers to tell the AFC to stop recovering loans pending that reconciliation exercise. I think the better thing for me to do is to ask them to finalise the reconciliation exercise immediately.

**The Temporary Deputy Speaker** (Mr. Musila): Very well. Prof. Anyang'-Nyong'o is out of the country. He had requested that his Question be deferred. Therefore, his Question is deferred.

*Question No.369*

MANAGEMENT OF MUGRUK QUARRY

*(Question deferred)*

**QUESTIONS BY PRIVATE NOTICE**

HOSPITALIZATION OF MR. ZAKAYO NYABUTI

**Mr. Anyona:** Mr. Temporary Deputy Speaker, Sir, I have not received the written answer to this Question. However, I beg to ask the Minister for Medical Services the following Question by Private Notice.

(a) Is the Minister aware Mr. Zakayo Nyabuti was seriously injured in a road accident (vehicle KAK 074A) and was admitted at Nakuru [**Mr. Anyona**] Provincial Hospital (Ward No.10 Bed No.8) on Friday 20th April, 2001, with serious injuries?

(b) Is he further aware that the hospital demanded Kshs20,000 before performing an operation on the patient?

(c) Since the patient paid Kshs11,000 without being given a receipt and could not raise the balance of Kshs9,000 could the Minister investigate the matter and ensure that the patient is given full treatment including surgery?

**The Temporary Deputy Speaker** (Mr. Musila): Is anybody here from the Ministry of Health? Since there is nobody here from the Ministry, the Question is deferred.

*(Question deferred)*

ALLOCATION OF CHILDREN'S HOME PLOT

**Mr. Wambua:** Mr. Temporary Deputy Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) Is the Minister aware that Masaku County Council Children's Home plot with more than 100 orphans and destitute children has been subdivided for sale and allocated?

(b) Who are the beneficiaries of the plots and what action has the Minister taken to stop the allocation of the children's home?

**The Assistant Minister for Local Government** (Mr. Hashim): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware.

(b) I have already directed the cancellation of the allocation to private developers. Further, I have instructed that the entire parcel of land be reserved for the children's home. Arising from my directive, the issue of beneficiaries does not arise.

**Mr. Wambua:** Mr. Temporary Deputy Speaker, Sir, I appreciate the answer by the Assistant Minister. However, is he aware that letters of allotment have already been issued by the Ministry of Lands and Settlement? Whom has the Ministry directed to stop this exercise? Is it the Ministry of Lands and Settlement or the owners who have been allocated the plots?

**Mr. Hashim:** Mr. Temporary Deputy Speaker, Sir, I have a letter here from my Ministry to the Ministry of Lands and Settlement concerning the allocation and proposing a health institution in the same place.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, if you look at part "b" of this Question, the Assistant Minister answered the question about what action he has taken. But he is deliberately refusing to answer the first part of the Question; who are the beneficiaries, purporting that it does not arise? Could the Chair oblige him to

answer the Question as stated?

**The Temporary Deputy Speaker** (Mr. Musila): Mr. Assistant Minister, could you answer part "b" of the Question on the beneficiaries?

**Mr. Hashim:** Mr. Temporary Deputy Speaker, Sir, since the Ministry of Lands and Settlement cancelled the allocation, I was not able to bring the names of the beneficiaries. But if the hon. Member insists on knowing the beneficiaries, I will table the list later.

**Dr. Murungaru:** Mr. Temporary Deputy Speaker, Sir, in the first instance, the Minister has avoided answering a very explicit Question on the Order Paper. Who were the beneficiaries? It was very easy for the Minister to obtain the list of the original allottees from the relevant Ministry. That notwithstanding, as far as we understand, there is a Presidential ban on allocation of public land in the country. How come this particular plot was allocated to private developers in spite of the Presidential ban being in force? How come this plot was subdivided and allocated in the first place?

**Mr. Hashim:** Mr. Temporary Deputy Speaker, Sir, this allocation amounts to a malpractice. Therefore, the Ministry took the issue seriously and cancelled the allocation.

**The Temporary Deputy Speaker** (Mr. Musila): Order! Hon. Members, in view of the importance of this Question, I think I would like to give the Assistant Minister a chance to give a better reply, which will allow the hon. Member to pursue the Question further. Noting that time is up for Questions, I will defer the Question to tomorrow afternoon. Since time is up for Questions, I will also defer the next Question by Private Notice.

*(Question deferred)*

#### ALLOCATION OF PLOT TO CIVIL SERVANTS

**(Mr. Munyao)** to ask the Minister for Lands and Settlement:-

- (a) Is the Minister aware that a piece of land L.R.No.8825-8826 and parcels Nos 80 and 83 both measuring 2,000 acres in Kangundo Division, Machakos District, has been irregularly allocated to some civil servants, among other persons?
- (b) Could he undertake thorough investigations and table the names of the allottees?
- (c) Could he further

revoke the allocation so that the land goes back to the people of the area?

*(Question deferred)*

**Mr. Anyona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. You did not indicate up to when my Question is being deferred.

**The Temporary Deputy Speaker** (Mr. Musila): These Questions will overload the Order Paper tomorrow. Let that Question be put on the Order Paper for Tuesday next week. Is that okay, Mr. Anyona?

**Mr. Anyona:** Mr. Temporary Deputy Speaker, Sir, I expect Questions, which have come before the House and have not been answered, to take priority over all other Questions. Surely, that should be the case.

**The Temporary Deputy Speaker** (Mr. Musila): Yes. But because the Minister is not here and---

**Mr. Anyona:** Yes, in fact, he is here! He has only come in late!

**The Temporary Deputy Speaker** (Mr. Musila): So, I will defer the Question to tomorrow. I would also like to point out that--- I think the Leader of Government Business did assure the House last week that Ministers would be here to answer questions. This time round, the Minister for Medical Services has not kept his word. So, we hope that he will try next time.

Next Order!

#### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

#### MOTION

THAT, MR. SPEAKER DO NOW LEAVE THE CHAIR

*(The Minister for Finance (Mr. Okemo) on 14.6.2001)*

*(Resumption of Debate Interrupted on 26.6.2001)*

*(Fifth Day of the Budget Debate)*

**Mr. Kihara:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion on the Budget Speech.

In my view, it looks like this was a pre-election Budget which has attempted to please everybody and assist none. One would have expected the Budget to be geared towards poverty eradication. Those of us who are participating in Harambees everyday, know how poor our people are these days. The Chair also attends Harambees and might have seen this happening. People donate Kshs1, Kshs5 and Kshs10 due to the prevalent poverty facing this country. We would have thought that the Budget would have been geared towards eradicating poverty, instead of concentrating too much on Papers which are written everyday on strategies of eradicating poverty. This could have been properly covered in this Budget.

Mr. Temporary Deputy Speaker, Sir, my constituency covers a farming region and I would have expected the Budget to touch on something which empowers the farmer. The farmer needs to be empowered to be able to produce. These days we do see a lot of idle farms because the farmer has not got the ability to farm or he does not have the money to buy the inputs. We want the Ministry of Finance to introduce cheap credit for farmers. There used to be a scheme called "Guaranteed Minimum Returns" for grain farmers. This arrangement has since been abolished and the farmer is expected to finance his own farming activities. It is not possible for the farmer to finance his farming activities if he has no access to cheap credit.

Mr. Temporary Deputy Speaker, Sir, we have just dealt with a Question regarding Agricultural Finance Corporation (AFC). This should be another source of credit to the farmer to enable him to do his farming activities. This corporation has been milked dry by this Government. We would have liked the Minister to allocate some funds to AFC in his Budget so that it can empower the farmer to become productive.

Mr. Temporary Deputy Speaker, Sir, my constituency produces a lot of perishable foodstuffs like potatoes, vegetables and so on. One wonders whether it is beyond the capacity of our experts to come up with a technology that can preserve perishable farm produce, such as vegetables and potatoes, so that whenever there is overproduction, the produce can be preserved for future use. In short, when the rains are good and the production is quite big, vegetable farmers sell their vegetables almost for free. The farmer is not even compensated for his labour. We would urge the Government to provide our people with the appropriate technology for preserving this perishable farm products so that we can sell them when market prices are good.

Mr. Temporary Deputy Speaker, Sir, Lake Naivasha is a very important asset to the people of that region, both for production of foodstuffs, floriculture and fish. We want to urge the Ministries responsible for environment, natural resources and agriculture to see that Lake Naivasha is protected. We are having very bad farming practices which are endangering the lake. As I speak now, fishing on Lake Naivasha has been banned because of overfishing. One wonders what has been happening with the Ministry responsible for fisheries because it has allowed overfishing on Lake Naivasha and those who depend on the lake for their income are unable to fish now. This is because they have been overfishing and that activity has been banned for the next six months to allow fish to regenerate in the lake. We want the Government to take action so that Lake Naivasha is protected. Lake Naivasha is a source of tourism because it is known to be the home for about 4,000 species of birds. It is also a haven for bird watchers, but it is drying up due to poor farming practices around the region. Discharge of effluence from farms is killing fish in the lake. We would like some action taken to curb this practices and reduce the danger posed by such farming practices.

The other point with regard to Lake Naivasha is that, we have been urging the Government to charge floriculture farmers some cess. I have spoken to several Ministers about this issue in this House and I have asked them to allow the Municipal Council of Naivasha to charge some cess on the flowers which leave the lake every day. If we are charging a mama with a *kiondo* of vegetables some cess, why should we not charge cess to the flower farmers who are taking flowers worth millions of shillings to Europe everyday? They do not plough back anything in the areas where they get these flowers despite making huge profits. I do not know whether this is because of the mighty and powerful people who grow flowers. Is that the reason why we have not been allowed to charge them some cess? I know that the President is able to listen to the debate taking place in this House from his Office in State House. If he is listening, I would like to tell him that we do not have no Ministers here listening to what we are saying. "Mr. President, if you are listening, there are Ministers here, except the Vice-President and

Minister for Home Affairs and Mr. Kalweo."

**An hon. Member:** What about all these Assistant Ministers?

**Mr. Kihara:** Mr. Temporary Deputy Speaker, Sir, there are only a few Assistant Ministers who are just talking instead of listening to what we are saying.

**The Temporary Deputy Speaker** (Mr. Musila): Order! Order, Mr. Kihara! Address the Chair! The Chair can see that there are very many Ministers in the Chamber this morning. Address the Chair and then continue with your contribution.

**Mr. Kihara:** Mr. Temporary Deputy Speaker, Sir, these Ministers get scared when they hear that the President might know that they are not in the House.

The other issue which is very important for this country is eradication of poverty and the question of insecurity. We have had very many deaths in Kenya, including that of Father Kaiser, which took place in Naivasha. We have had cases of murder like that of the late Charles Kibe Karanja and many other prominent Kenyans but nobody knows who was responsible for their murders. One wonders about such kind of happenings. With the kind of training given to our police officers, how come they are unable to resolve murders of very prominent Kenyans? The culprits have never been found; they just disappear. What is happening? What is wrong with our police officers?

Mr. Temporary Deputy Speaker, Sir, the Government ignores all the danger signals that result in insecurity. There is a farm in Naivasha owned by Kiambu Nyakinyua. Recently, a certain community was given leave by the High Court to sue because of disputed ownership of the farm. As soon as that leave was granted by the High Court, they went ahead to sub-divide the land before the matter was adjudicated by the court. I have taken up that matter with the administration officials, but nothing has happened. Now, whether that is an extension of what is happening in Trans Mara and Gucha districts, I do not know, but that is happening all the time when elections are approaching. I would like to urge the Minister of State, Office of the President, in charge of internal security, to take action before we have clashes again. That is a potential danger that faces this country, not very far from where we are.

I would like to make a few remarks with regard to the constitutional review process. It is our hope that when the constitutional review process is undertaken, the Constitution of Kenya Review Commission (CKRC) will enjoy freedom when seeking views from Kenyans, so that we can come up with---

I beg to support the Motion.

**The Assistant Minister for Local Government** (Mr. Hashim): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity so that I can join my colleagues in contributing to the Budget Speech. First, I would like to start by congratulating the President for appointing Mr. Raila Odinga and his colleagues to the Government. This is a clear manifestation of how much the President loves this country and her citizens, and it is a way forward for his persistent calls for unity in this country. I just wonder about those who are calling for a government of national unity, yet they cannot even appreciate the efforts done by the Government by co-opting the NDP into the Government. This is double-standard. It is high time we thought on the lines of how to bring this nation together, rather than dividing it on tribal lines. It is very unfortunate that there are a number of issues which indicate that this country is being divided and we are creating a very bad precedent.

While appreciating the Budget Speech read out by the Minister for Finance, serious matters have been discussed which are facing the country, and proposals have been made. But implementing the Budget proposals is another issue. The real problem facing this country at the moment is the lack of fair distribution of resources. As a result of the current system of the Budget, some places in this country are over-developed, and others are completely forgotten. Places like Lamu, which have very high potential, are seriously affected. We have no water and electricity in our health institutions, and some areas in North Eastern and Eastern Provinces are also affected. It is high time the Minister came up with a budgetary system which ensures that all funds are allocated equally to all areas, be they at the district or constituency level, so that people from various districts can plan for their own projects.

Farmers and fishermen in Lamu are facing serious problems. At the moment, fisheries officers have confiscated nets in Lamu and fishermen are facing very serious problems. If we want to address matters that would eradicate poverty, and we are not addressing those matters that are affecting the people, I think we are not solving the problems facing Kenyans.

Of course, one of the serious problems which has faced this country is corruption. But I would rather say that corruption has been blown out of proportion. It is true that corruption is a major contributing factor to the downfall of the economy of this country, but corruption is becoming a necessary evil. Even if it is not being committed by people who commit them--- It is high time we came up with proposals which counter-attack



corruption. We must create an enabling environment so that investors can come into this country. In the 1960s and 1970s, and early 1980s, Kenya used to enjoy monopoly because we had good infrastructure and Tanzania, Uganda and other countries were not properly organised in the region. But now, these countries are coming up and we have to make some contribution so that investors can come and invest in this country, from outside and inside. It is high time we came up with a people-based system. That will create employment opportunities for our people, and bring investors into the country.

It is also high time we considered reviewing the taxation system and import tariffs, so that when goods are in this country, they can compete with others. Today, despite Kenya being an economic giant in the region, we still have one problem. There is vast land in Lamu where Kenya can introduce our second port and many people will come and invest in this country and our economy will revert to its former position immediately. The real problem facing wananchi is how to create employment opportunities. Many Kenyans are faced with that problem. We cannot employ our graduates from universities.

Insecurity is another serious problem. In 1963, Lamu was attacked by bandits, and as a result, 15 villages were abandoned. There are no attempts, whatsoever, to resettle those people and they are living and scattered everywhere in the Coast Province, languishing in poverty. Therefore, we should propose how to resettle those people. In 1976, Lake Kenyatta Settlement Scheme was initiated, but the area residents were not considered. Instead, people were brought from outside to the province. That has caused a lot of mental torture to the leaders of that place. It is high time the Ministry of Lands and Settlement came up with a proposal of resettling the people there.

Shortage of land is another problem. Farmers in Lamu have no land. There is no single Bajuni in this country who has been issued with a title deed, for the last 37 years of Independence. That is very serious and pitiful. It is disappointing and saddening. I would like to suggest to the Ministry of Lands and Settlement, to come up with a proposal and affirmative action, so that land can be allocated to the people there. We have no water and our storage facilities which are called Jabias are too few to cater for our water needs until the next rainy season. There is no electricity. Fishermen are being exploited because they do not have facilities to store their catch. Lamu is an area suitable for cotton growing, but the farmers are not being provided with adequate facilities. It is very disturbing to note that such things are taking place and yet no serious attempts are being made to reduce poverty. The Budget should consider the people affected rather than making proposals which cannot be implemented.

With those few remarks, I beg to support.

**Dr. Kituyi:** Thank you, Mr. Temporary Deputy Speaker, for giving me a chance to contribute. While listening to my good friend, hon. Hashim, I found it very funny that at one level he said how great the President's love for this country is and this was evidenced by the appointment of Mr. Raila to the Cabinet. Then, the next moment he was bemoaning the absence of public interest in the crises of unemployment and poverty in Lamu. Is the appointment of Mr. Raila evidence that President Moi cares about the people of Lamu? There is only one sentence that can describe that: All this euphoria and cliches about thanking the President for appointing Mr. Raila are just a balloon which will be brought down by a small pin and you know from whom. Then I do not know if you will be congratulating or commiserating.

I will now turn to the Budget. A week before the Budget, I did mention in this House that one of the concerns among some of us is how this Government has wilfully allowed foreigners to do jobs in Kenya which can be done by Kenyans. It has allowed Koreans to hawk contraband goods in rural towns of this country. So many foreigners come into this country and get jobs that could be done by Kenyans, sometimes without permits or with hurried work permits.

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

Mr. Temporary Deputy Speaker, Sir, could you oblige that Minister to sit down?

**The Temporary Deputy Speaker** (Mr. Musila): Dr. Kituyi, continue!

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, it is a shame that a country with so much unemployment and with trained personnel and skilled labour is still not being careful about how it manages employment opportunities that emerge, for which there are outsiders competing. I have two rather sad examples. The first one concerns the most successful Kenyan initiative over the past ten years and the only thing Kenya can ever boast of since the arrival of the IT revolution in the African continent. This is the company called Africa Online. On 24th May, 2001, the employees of Africa Online went to the Immigration Department and gave Mr. ole Ndiema a letter saying that the newly hired Chief Financial Officer, Mr. Mike Ralston, from Zimbabwe, did not have a passport, a work permit, the degree he purported to have got from Cape Town University and yet he was being paid Kshs800,000 per month.

Mr. Ralston was taken by immigration officers and charged in court on 25th May, for illegally being in Kenya, contrary to the Immigration Act and participating in employment. The case was set for hearing on 30th May, but was further postponed to 4th July. In the period between his being charged and the next date for hearing, he got a work permit and a passport. He then went back to the office and continued working as the Chief Financial Officer of Africa Online without the certificates from the university he is purported to have gone to. Meanwhile, he fired a qualified Kenyan trainer and employed another Zimbabwean, Ms. Julie Mathewman, to become the Principal Training Officer for Africa Online and yet she does not have any expertise for doing the job or a work permit from the Kenyan Government. She has also been charged in court. She has already got a work permit before the date when the case is due for hearing next month.

Whose interests is the Immigration Department of Kenya serving? Is it serving the interests of expatriates who can bribe and take jobs from Kenyans or that of Kenyans who are qualified and have the competence to do those jobs? As we talk, the economy of Zimbabwe has collapsed, thanks to the other political dinosaur. A lot of Zimbabweans, particularly white Zimbabweans, are raiding the corporate world. Some of us have an inferiority complex such that when you see a white face you think it is better than a black face. We saw this problem in the Kenya Commercial Bank (KCB) and we are now seeing it at Africa Online since. It seems it is so easy to bribe officers in this country and meet the conditions of work.

As we talk, the most celebrated young man who was the brain behind Africa Online, Mr. Ayisi Makatiani, is on the brink of losing, not only his 25 per cent equity in the company, but also his position as the CEO of Africa Online to foreigners. If this Government is serious in embracing the new technologies - like the Minister said: "We want to be party to the digital revolution" - it must try to strengthen, buttress and entrench those of our own who have shown competence and capacity instead of being driven by the greed to be bribed in order to breach its responsibilities. I would like the Government to take up the challenge to fire the officers in the Immigration Department or any other officers who are responsible for illegally giving work permits to these Rhodesians.

A major crisis of investor confidence is emerging in this country's management. A couple of years ago, the Total Oil Company was given the Government Prospecting Certificate for the richest, most promising block of petroleum off the Coast of Lamu. For unexplained reasons, that licence was cancelled and re-awarded to a mysterious off-shore company called Star Petroleum which does not have the competence or resources to prospect for petroleum. Star Petroleum has been trying to sell back that licence to Total. How can a Government be trusted if, even the prospect of exploiting petroleum resources at a time when we are so economically desperate is being used to stroke the greed and appetite of the mighty and powerful?

As we talk today, one of the latest entrants into the petroleum industry in Kenya, ENGEN Petroleum Company of South Africa, is already reconsidering its decision to come to Kenya. It is on the brink of pulling out of Kenya because they went through the formal channel, but they did not realise that there is another informal channel through which money has to be raised for Harambees. This is how the President manages to raise Kshs155 million for Harambees over a period of 19 years. This is an informal tax they have to pay through emissaries and pseudo-emissaries. How can you stand here and tell us about sustainable development when you do not have the dignity and honour as a Government to protect the little we have? How can you talk about sustainable government and interest in the future if the same persons in the Government, who are responsible for this greed and pilferage, are trying to relocate out of this country?

When the Minister for Finance replies, I would like him to tell us if these people have confidence in the country they have pilfered and looted for the entire Nyayo Era; why Joshua Kulei has applied for permanent residence in Britain. If he has confidence in the country he has been pilfering, why does he want to run away before the Nyayo Era is over? The guilty are afraid! We cannot entrust these frightened guilty persons with the long-term or medium-term management of our country. We are salvaging whatever we can in spite of this Government and not because of any conscious wilful performance of the Government. If you look at their record of privatisation you will realise that only those enterprises which, in their structure of privatisation, allow them to establish off-shore companies overseas and then buy their way back, are privatised.

They tried to do the same thing with Telkom Kenya but it did not work well. They are now dragging their feet and saying that Telkom Kenya will be privatised next year or by August. What objective conditions will appertain between now and August to make it easier to privatise Telkom Kenya than there have been over the past two years? It is the competition between their greed and the pressure from donors. We are again faced with a new Budget whose goals will not be attained because it is so dependent on honouring promises to donors which will not be honoured. The technical Government makes an undertaking to honour promises. The political Government, which is greed-driven, can never honour any of those conditions. You can continue pilfering public property, look Ministerial and managerial and drive big cars, while you are preparing to exit at the end of the Nyayo Era. You

should start with the heritage that we remember them for, and that is the heritage you must all the time think about when you are looking at what they purport to be. Look at their blue-print for managing and re-organising our country! We can only remember them for what they have destroyed and their inability to revive the economy.

**The Assistant Minister for Education, Science and Technology** (Mr. Karauri): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to support the Budget speech.

The Minister for Finance is a very capable Minister. He is qualified for that job. In fact, I wish all the things he proposed in the Budget would happen all round. In my view, human resource is the most important resource in the development of a country. You may have gold and diamonds, but if you do not have human resource, the gold and diamonds are nothing and useless. They cannot develop the country. I am saying this because I know Mr. Okemo and I know he is qualified for that job.

The Minister omitted to tell us what incentives he is giving to farmers in order to improve the agricultural sector. He did not spell out clearly what he intends to do in order to improve the agricultural sector. We keep on saying that agriculture is the mainstay of our economy, which is a fact, but what are we doing about it? Are we doing anything about it? We are just talking about it. The biggest problem in this country is that we know what is wrong. Everybody, including children, adults and the Ministers, knows what is wrong. But are we doing anything about it?

Mr. Temporary Deputy Speaker, Sir, I want to say something which has not been said by anybody else before. This is positive criticism. I do not know who is advising the Government that a Ministry with one Permanent Secretary (PS) should have two or three Ministers. Even if you want to do tribal balancing, if you put three Ministers under one PS, the co-ordination will not be proper. In management, co-ordination becomes weak if you have many managers. If we want to improve this economy, we must manage this Government like a private company. We should put qualified people in positions of authority and leave them to manage the economy. They should sit down together and discuss their management approach and find the best way forward.

I am saying this with due respect, because I know it does not work. If you put two headmasters in a school---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Musila): May I appeal to hon. Members to consult quietly and give Mr. Karauri a chance to contribute.

**The Assistant Minister for Education, Science and Technology** (Mr. Karauri): Mr. Temporary Deputy Speaker, Sir, if you put two headteachers in a school, and assign duties such that one headteacher is responsible for discipline and the other one for administration, the school will collapse. It may not collapse that fast. I am saying this because, deep in my heart, I love this country. This is positive criticism. We must do things right. If we do not do things right, it will be useless to continue talking about improving the economy of this country because the economy will not improve on its own.

Mr. Temporary Deputy Speaker, Sir, if there were four Ministers in this country and they were doing everything to improve agriculture and initiate irrigation schemes in Ukambani--- The Kamba may not need a Minister, but they need irrigation schemes. They cannot feed on a Minister during famine. If the Kamba people have irrigation schemes on their land, they will not complain about not having a Minister appointed from Ukambani. Having been in this Parliament for the last almost 20 years, I have always said what I feel from the bottom of my heart. I know some people will not be happy with what I am saying, but that is the best way forward. We should not just talk about improving the economy, but should act on it. For instance, we may be very many assistant Ministers in the Ministries, reading Ministers' speeches and answering Questions in Parliament, but we have facilities that, if we were not there, the money being spent on them would not be spent.

We have roads in this country leading to very fertile agricultural areas, which are impassable. My constituency is endowed with the potential to produce quality tea and coffee. Tea rots on the road before it gets to the factories because the biggest harvest comes during the rainy season. If we are serious in improving the economy, why do we not look into the agricultural areas and ensure that they have good roads? I would like to see a day when the North Eastern Province will be properly irrigated. The Government should forget about giving the people of North Eastern Province famine relief food. The money that is used to purchase the famine relief food in one year should be used to irrigate the place, and then the people of North Eastern Province will grow food crops to feed themselves. When we are not importing foodstuffs, the economy will grow by leaps and bounds. But when we continue importing foodstuffs and employing more people than we can afford to pay, then the economy will not grow. I am thinking, for instance, about a small coffee farm where the farmer earns Kshs50,000 per annum, but decides to employ people earning Kshs50,000 also in terms of wages per annum. Now, what business

is this farmer doing? He cannot educate his children or do anything else with that money except paying wages to his labourers. So, if your money is only enough to pay salaries then you should know that you are doing nothing. You are not progressing and you had better stop doing what you are doing and look for something else to do.

Mr. Temporary Deputy Speaker, Sir, the security situation in this country must be improved. Most of the insecurity cases are arise from border disputes. The border disputes need not be there at all. Boundaries of constituencies in this country were demarcated during the colonial days, with most of them demarcated before 1961. I have always argued like this in my district, when there is a conflict between the Tigania people and the Tharaka people, or the Tigania people and the Central Imenti Constituency people. Those constituencies boundaries were put in place before our people went to the Lancaster House. Boundaries do not move, but people move. When people have moved across the border, they know they have moved to another administrative division, constituency or location. They should be satisfied with staying in that area under its administration. They can own title deeds or whatever they want to own there, but they should not fight over the boundaries.

Mr. Temporary Deputy Speaker, Sir, I want to remind the Minister about the Kenya National Assurance Company (KNAC). It is a shame that a company that is fully owned by the Government, which is not broke, goes under and its workers are sent home. Some of these workers have died while others cannot take their children to school because they have not been paid their benefits. I am kindly requesting the Minister who is my friend, to look for means of paying those people. If I had a company that I owned personally, and I have other companies, if one company gets broke, I would pay those workers. Now that the Government is not broke, why should we let those who worked for Kenya National Assurance (KNA) suffer and be unable to educate their children? Some even die of poverty! The Government is looking for a buyer for the KNA. The Government should pay those people and look for a buyer at its own time! It may get a buyer or not, but, for goodness sake, it should pay those people and end their suffering!

Mr. Temporary Deputy Speaker, Sir, if what I have said may anger anybody, I have no apologies to make. I have been in this Parliament for the last 20 years and some of the junior people may complain.

Thank you.

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, a Budget should not be just about how the Government intends to collect revenue, and how it intends to spend the revenue that it has collected. That is not the only objective of a Budget which is presented to this House. A more important and fundamental objective of a Budget should be to target what clear objectives it intends to impact on the economy. For example, if the economy is over-heating, how do you bring down the over-heating, so that there is no inflation and the economy is stable and continuous? In other words, one should have very clear objectives in a Budget, which are to be achieved.

When one looks at this Budget, one gets the impression that the objective of the Government is an obsession with balancing its books and bridging the Budget deficits. There are times in the economy of a country when you must allow and accept that you cannot balance your Budget and that, it is more important to come up with strategies that are going to re-activate the economy and, in fact, allow the Budget deficit to grow! We have an accumulated **[Mr. Muite]**

two or three decades of mismanagement of the economy. Therefore, it will not be possible to balance or close the Budget deficit overnight. It has got to be a process which will take years, before we can balance our Budget, and before we can close the Budget deficit, which has accrued as a result of mismanagement.

Therefore, a correct strategy which does not appear to have been employed in this Budget should be to, in fact, focus on re-activating the economy and allow the Budget deficit to continue growing for a time. We should come up with a road map that in the second year, we will close the Budget deficit by a certain percentage. That should go on for the second year, third year, fourth year and so on. But the priority in Kenya today, given the state of the economy, is re-activation of the economy and not balancing the Budget, which is impossible. It is for us, as nationals, to pick on that as the priority. How do we get the economy of this country going again? If it means allowing the Budget deficit to continue increasing, so be it! The strategy should be re-activation of the economy. The re-activation should focus on agriculture.

Mr. Temporary Deputy Speaker, Sir, one of the strategies should have been zero-rating agricultural inputs like fertilisers and agro-chemicals, so as to activate the economy. We say that we are an agricultural country, and 80 per cent of the people are employed directly and indirectly in the agricultural sector. But we are not focusing on how that sector of our economy can grow. Agriculture is, in fact, subsidised in the majority of the countries in the world, including Europe, United States of America (USA) and others. So, zero-rating inputs in agriculture is one way of indirectly subsidising our agriculture. You will see growth in that sector.

We should zero-rate imported raw materials that are used in the manufacturing sector. It is a major sector in terms of creating employment. We should increase very steeply, duty on imported manufactured goods.

Duty on the units that are manufactured outside the country should be hiked up, so that we can protect the manufacturers here in our country. Those are some of the strategies that need to be employed in order to get the economy going again. We should forget about the obsession of closing the Budget deficit. It is when the economy gets going that we can begin to have the surpluses with which we can close the Budget deficit. For example, we need the Treasury Bills rates that are ridiculously high to be fixed. The Central Bank of Kenya can fix the rates. Nothing has been more ruinous to this country than the auctioning system of inviting tenders by the Central Bank of Kenya. That is a wrong approach to the management of interest rates, for the simple reason that the law requires all the banks to have a certain percentage of money in liquid cash. Treasury Bills count as liquid cash and, therefore, if the Central Bank of Kenya was to fix the Treasury Bills rates at even 4 or 5 per cent; because the law still requires the banks to keep money in liquid cash, they will still buy at that rate. That is what ought to happen, and then the Government can access its domestic borrowing. I am not saying that it should have a free hand in domestic borrowing, but, at least, it would be able to access domestic borrowing at affordable rates of interest without ruining the economy of the country.

So, those are some of the strategies that would go towards re-activating our economy. Today, you watched the Cable News Network (CNN) and saw the debate that is going on in the USA. They are reducing the interest rates in the USA. I think this is the third time, within six months, that they are reducing the interest rates. Why? It is because the economy is slowing down. To stop the economy from slowing down and grow, there must be something to activate it. These are the sort of things that the Budget should be focusing on. The Minister should be lowering taxes across the board and not increasing the taxation, in order to get the economy growing. He should come up with strategies to encourage the companies to employ more people, instead of the situation that we are in at the moment. If those strategies were to be adopted, then we would re-activate the growth of our economy. Without re-activating the growth of our economy, we will continue with the economic quagmire that we are in, with unemployment continuing to soar! We are now retrenching! There is a point beyond which you cannot save money through retrenchment. Retrenchment should go hand in hand, with strategies of getting the economy growing again. But if you save that money through retrenchment, and the economy does not grow, you will achieve nothing!

Mr. Temporary Deputy Speaker, Sir, while on the topic of retrenchment, I would like the Minister for Finance to really consider the cases of the people who have been retrenched from the Civil Service, and they are not paid their dues. There is a very good letter here from Mr. Josephat Kanyugi who explains very pathetically how they are being fleeced by this Government. I would like to ask the Minister, even if he is going to bring a supplementary budget to this House, to pay these retrenchees who have not been paid. I would like to lay this letter on the Table of the House so that the Minister can read it. It gives details of exactly how this Government is fleecing the retrenchees and paying them Kshs40,000. In fact, they are not even getting the Kshs40,000 in full.

*(Mr. Muite laid the document on the Table)*

Every third year, this country spends upwards of Kshs4 billion importing food because we are not self-sufficient in our food production. So, even if we were to subsidise agriculture and spend taxpayers' money to harvest rain water, in the long run, it is, in fact, cheaper. Instead of waiting to spend taxpayers' money importing the food, why do we not take that Kshs4 billion and put it in the Budget to subsidise the agricultural inputs or even construct dams in order to harvest rain water? I do not know what happened to a study that was done way back in 1948 in this country that had recognised that the area between Nairobi and Mombasa, basically Ukambani, can actually replace Uasin Gishu District and the highlands in terms of food production if we were to harvest the rain water.

**The Temporary Deputy Speaker** (Mr. Musila) Order, Mr. Muite! Your time is up! Mr. Mugalla!

**Mr. Mugalla:** Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to contribute to the Budget that was read by the Minister for Finance. This Budget was a donor-friendly one. It did not address the greater population of our people but it only addressed a small section of our population, and that is industry. If we have to develop, the Budget should focus itself on how it can stimulate domestic consumption. In order to do that, the greater majority of our people are farmers and this is where the focus should be directed at, as many people have said.

Mr. Temporary Deputy Speaker, Sir, on the question of subsidy and our relationship with the donors and the World Bank, we are told that we should not subsidise, either our farmers or industries, but the United States of America subsidises its farmers to almost 100 per cent. Now, the situation here in Kenya is that ten years back, with one tonne of coffee, you could buy a Mercedes Benz. However, now you need about ten tonnes of coffee on the same farm to buy the same Mercedes. If we cannot address this situation, how can we develop? Nestle, which

processes coffee, is posting profits all the time and yet our farmers are struggling to survive. This is an area that should be addressed.

Mr. Temporary Deputy Speaker, Sir, the other issue that must be addressed by the Minister for Finance relates to incomes policy. Incomes policy in this country is so bad that the ratio of incomes is almost 1 to 1,000 and if this situation is allowed to continue, it is a policy of exclusion. It is exclusion such that a person who earns Kshs100 cannot access to goods unlike services than a person who earns Kshs1 million in this country. It is unthinkable that we live in the same country and you find one person earning Kshs1,000 and the other Kshs1 million. This is a policy that should be re-examined, so that we have a proper incomes policy in this country.

This should also apply to the question of wages policy. If we want to stimulate our economy, we must also stimulate the per capita income of our people. How do we expect our people to consume goods and services that are locally produced, if they cannot afford to do so? We should not only look at the exports because the domestic consumption is very important. We appear to be looking at the domestic market and balancing our books forgetting that if we have to develop, we must stimulate our domestic consumption.

The other area that the Minister has not even touched on is the question of privatisation and retrenchment. In whose interest is privatisation being carried out? Is it in the interest of the World Bank, investors, or of the people? How has it benefitted the workers? Is it not that the workers have been driven to extreme poverty in this country because of these policies? First of all, before any retrenchment is carried out, a proper audit should have been carried out to look into the consequences of retrenchment and privatisation. Workers have been thrown onto the streets as if they are not citizens of this country and have no rights in this country. If the Budget is being read, it should focus on these issues.

Mr. Temporary Deputy Speaker, Sir, the other point is the issue of the donor community and Kenya. The donor community, the World Bank and IMF, appear as if they want to dictate how we should govern ourselves. Recently, this Parliament rejected certain Bills drafted by the State and also our Judiciary rejected some of the Bills that Parliament had passed. And because of this, the World Bank and IMF said that we had defaulted on our promise. Does it mean that if the State drafts a bad Bill we cannot talk about it? Does it mean that if Parliament passes a bad law, the Judiciary cannot reject it? Recently, there has been a lot of campaigns against the Donde Bill by the international community. Now, if America is reducing its rates, what was wrong with the Donde Bill in trying to reduce bank interest rates in this country? Therefore, I think time has come for this country to say we should make our own skirts and not to be dictated by the international community for their benefit. The international community is ready to invest in extending the oil pipeline from Mombasa to Kampala, but it is not ready to finance pumping of water to rejuvenate our economy. If you say that we want to lay oil pipes from Mombasa to Kampala, they are ready to provide the money, but they are not ready to provide funds for anything that can help us. Therefore, we should learn to live on our own.

Mr. Temporary Deputy Speaker, Sir, the other point that I would like to speak about is the Poverty Reduction Strategy Paper that has been produced. I would like to say that this Paper has not been addressed in this Budget. How will we fight our poverty if this Paper has not been addressed? It appears that this Paper has been left in the hands of the NGOs. These NGOs which write to our constituencies are causing us a lot of trouble. They call meetings in villages, give people allowances and when a Member of Parliament wants to hold a meeting with his own constituents, they also want allowances from him or her. This is a very serious issue. Therefore, I would like to support this Motion taking note that there was no better way.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Dr. Wekesa:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to the Motion at hand. I am glad that the Minister for Finance is here, and I would like him to listen carefully to the views expressed by hon. Members from both sides of the House.

This is an area where there is no politics. We are talking about the economy of this country. How do we rejuvenate the economy of the country? Everybody has agreed that agriculture is the backbone of the economy of this country. How is it that the Minister for Finance, who comes from an agricultural area and knows as much as I do that the backbone of our economy is agriculture, goes ahead year in, year out, and presents a Budget that ignores agriculture? I happen to come from a district where most of the grains, such as maize and wheat are produced. What happens in agriculture is very deplorable.

The Minister should have addressed issues in agriculture that can produce money for him. For example, maize is the staple food for Kenyans, but today, the farmer is unable to produce this commodity. I would like to point out that the Kenya Government has to depend on imported maize, whereas we can produce maize for export.

The emphasis should be export. If we can export maize, flowers, wheat, coffee and tea, then the economy of this country will be back to where it was 30 years ago. There is a tendency for the Government now to import maize at the time when the farmer is harvesting the same crop. This has caused a lot of frustration in my district.

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

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

Every time we are ready to harvest maize, there are many ships which arrive in Mombasa with the same commodity. This is how they kill our economy. All they are doing is to make a few Asians in Mombasa rich, and the usual mafia that depends on these Asians. Why does the Government not import maize when the farmers are not harvesting the crop? What actually happens is that the price of maize goes down.

Right now, in Trans Nzoia District, you can get a bag of maize going for Kshs800, and yet, this is maize that has been produced in a very expensive manner. The same people who import fertilizer sell CAN fertilizer at Kshs1,500. I would like to say that three months ago this type of fertilizer was selling at Kshs1,100. Because there is a shortage of CAN fertilizer, the poor farmer who must apply this fertilizer to his maize buys the same fertilizer at Kshs1,500. This is how the economy is killed. I would like to urge the Minister for Agriculture to protect the goose that lays the golden egg. The goose that lays the golden egg is agriculture.

I think most of us who are educated, have been in Parliament for a long time and understand why the economy is ailing, hope that this Government will get out next year so that we can have a Minister for Agriculture who knows what to do.

*(Applause)*

**An hon. Member:** That is a point!

**Dr. Wekesa:** Mr. Temporary Deputy Speaker, Sir, I can see my friend Mr. Karauri pleading!

**The Temporary Deputy Speaker** (Mr. Imanyara): Dr. Wekesa, address the Chair!

**Dr. Wekesa:** Mr. Temporary Deputy Speaker, Sir, I was only referring to Mr. Karauri because he said that there is no need to appoint Ministers on a tribal basis. What we need is efficient Ministers from this Government and their time is up. We hope that they will get out next year.

The Minister should have addressed security because enough security will attract investment. I would like to say that there has been a problem in connection with security in my area. We have had tribal clashes in the area over many years now. I would like to give credit to the leaders in the area, particularly the Pokot and the Sabaot, who have now agreed that there will be no tribal clashes in Trans Nzoia District. Even if the Government will cause tribal clashes there, we will leave them to fight alone. I would like to point out that our people have refused to be used by this Government to cause insecurity.

I would like to say that land has been a big issue in this district. Right now as I am speaking here, there is a farm called OI Katongo, which is owned by the ADC. This farm has been advertised for sale, and we cannot understand why a very valuable farm that produces high grade cattle and hybrid seed maize should be put on sale. Whereas the ADC is owned by the Government, why should it auction the farm when it can actually pump in money and save the farmer? I would like to say that people in Trans Nzoia District are very concerned about this issue and we have said that we will not allow this farm to be auctioned. This is because it is only the rich people who will come and buy the land although we have clash victims and squatters who ought to be settled on ADC farms when they are available. We refuse now to allow the Government to allocate land to the rich. We also refuse to let the Government allocate land on a tribal basis because once you do that, you make it possible for tribal clashes to occur. Right now, all the communities in my constituency have agreed to work together and I congratulate the Member for Kapenguria, Mr. Moroto, who is working very closely with me. We have also agreed that any land that is available through Government machinery must be allocated to Kenyans and not a tribe. This is one way of killing tribalism.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Mr. Imanyara): Yes, Mr. "Aoki"!

**Mr. Ayoki:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to the on-going debate. My name is not Aoki. "Aoki" is Japanese. I am Ayoki. With that correction, I would like to continue.

Mr. Temporary Deputy Speaker, Sir, in the past, several Budgets have been read in this House and I would like to refer to the 2000/2001 Budget. When that Budget was read here, Members hailed it as the poor

man's Budget, little knowing that there were no funds to realise the dreams of that Budget, because the donors withheld them. When the Minister presented this Budget, he blamed the donors for withholding the funds but he did not tell us that the Budget was dependent largely on donor funding which was still being anticipated. It seems that the Minister or the previous Ministers for Finance have not bothered to take stock and learn from the previous mistakes.

It is a well known fact that our economy depends on agriculture. As the previous speakers in this House have said, more attention should have been focused on the improvement of agriculture because that is the backbone of our economy. If we are serious about reducing the level of poverty in this country, we need to have a programme on how we can improve our agriculture, and the Government should improve on irrigation. There are vast lands lying fallow in various parts of the country because there is no water. If these vast lands in the lowlands around the Lake Victoria region or in Ukambani, where the land is very fertile, are irrigated, we would get enough food. The Government should harness the water of those rivers going to the Indian Ocean and use it to irrigate the land, and that part of the country can produce enough food even to feed the whole country. Similarly, in the low-lying land around Lake Victoria, like the Yala Swamp and the Kano Plains; if the water can be harnessed and irrigation is put in place, we cannot import rice or maize. It is very ironical that we, in Kenya, import or depend on food aid from a country like Egypt, which uses water from our great rivers into the Lake Victoria and then into the River Nile for irrigation. They then supply us with food which we can grow in this country, because our land is even more fertile than the land in other parts of Egypt, apart from the Nile Delta.

Mr. Temporary Deputy Speaker, Sir, I would like also to talk about the security in this country. The security situation in this country has deteriorated to a point where it cannot even get better. It will get worse and yet, according to the information we have, this country spends about Kshs10 billion on security equipment. The security in the country is getting out of hand, and something should be done.

Mr. Temporary Deputy Speaker, Sir, the main problem we are having in this country is poverty. It is easier to get rid of corruption or to reduce it to a manageable level than to eradicate poverty. If we are serious about eradicating poverty, the first problem we should tackle is corruption. Corrupt people are very few and according to available information, some of the lawmakers here have been alleged to be corrupt and they are still in this House. If the Government was serious about eradicating poverty, the first thing they should do is to eradicate corruption.

Mr. Temporary Deputy Speaker, Sir, the other aspect of the Budget I would like to tackle is the problem of unemployment in this country. Today, we have quite a number of graduates from universities who are unemployed. Quite a number of them are looking for greener pastures in southern African countries like Botswana and the neighbouring countries. They cannot be employed here because our economy is not performing well.

Mr. Temporary Deputy Speaker, Sir, I would like to talk a little about the fishing industry which could also be used to earn this country a lot of foreign exchange. My constituency, Kisumu Rural, borders Lake Victoria and the fishermen there are working very hard day and night, but they do not [Mr. Ayoki] get enough money even to pay school fees or feed themselves because they have no means of preserving the fish before they take it to the market. In the Budget, we noticed that there was no provision even of supplying electricity to the beaches around the lake so that cooling plants could be installed to preserve the fish before they rot.

Mr. Temporary Deputy Speaker, Sir, the roads in this country, particularly those in my constituency, cannot be used because the funds meant for their repair have not been released to the Ministry responsible for roads. The District Roads Committees (DRCs) have been abandoned because somebody fears that the committees would give hon. Members a lot of influence in their constituencies. According to the facts on the ground, Members of Parliament are the ones who are mainly concerned about roads in their constituencies.

With those few remarks, I beg to support.

**Mr. Kitonga:** Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii ili niweze kuzungumza kwa kifupi juu ya Hoja ya Makadirio ya Mapato na Matumizi ya Serikali (HMMS).

Maoni yangu ni kwamba makadirio haya hayakuonyesha picha ya ukweli wa mambo katika nchi hii. Kwanza, tunafahamu ya kwamba uchumi wa Kenya unategemea zaidi sekta ya kilimo. Katika sekta hii, shughuli nyingi haziwezi kufanyika kwa sababu wakulima katika sehemu za mashambani hawapati ushauri wa kitaalamu. Katika sehemu ya Kitui, ambayo ningependa kuzungumzia zaidi, udongo wake unafaa sana kwa ukuzaji pamba lakini Serikali haitusaidii kuanzisha mipango ya kukuza mmea huo. Jambo Serikali inalofanya katika sehemu hiyo ni kuwapatia watu msaada wa chakula kila wakati wa kura unapokaribia. Serikali haitusaidii ili tuweze kujisaidia. Hilo ni jambo moja ambalo linanikera sana.

Hata yale mazao kidogo yanayopatikana katika sehemu hiyo hayawezi kusafirishwa hadi sokoni kwa sababu ya hali mbaya ya barabara. Barabara katika sehemu ile zimezoroteka kwa sababu usimamiaji wake uko



mikononi mwa maafisa wa Serikali ambao wengi wao ni wezi. Maafisa hao huiba robo tatu ya pesa za kurekebisha barabara na kutumia robo moja pekee kwa shughuli hiyo. Barabara zote katika sehemu yangu ya uwakilishi Bungeni zimezoroteka kiasi ya kwamba wenye magari ya abiria wanalipisha nauli ya Kshs50 kwa kila mtu, kwa mwendo wa kilomita kumi peke yake. Wenye magari huteta ya kwamba inawabidi kupandisha nauli kwa sababu ya hali mbaya ya barabara. Je, kama magari yanayotumia barabara hizo huharibika vifaa ghali mara kwa mara, ni kwa nini wenyewe wasilipishe nauli ya juu? Kwa hivyo, ninaiomba Serikali izingatie urekebishaji wa barabara.

Bw. Naibu Spika wa Muda, sasa nitazungumza juu ya maji na kupeana mifano katika sehemu ya Kitui. Sehemu ya Ukambani ina maji tele lakini Serikali haitusaidii ili tuweze kuyakusanya maji hayo na kuyaweka mahali pamoja. Tuna maji katika Mlima Mutito. Tulipewa maji hayo bure na Mwenyezi Mungu. Tunachohitaji ni kupanuliwa kwa tangi ambamo maji hayo hunaswa. Maji hayo yatateremka yenyewe na kusambazwa katika Wilaya za Kitui na Mwingi. Maji hayo yanatoka mlimani. Ni maji ya Mungu, na si ya Kanu. Ni kwa nini Serikali haitusaidii ili tupate vifaa vinavyohitajika kwa unasaji wa maji hayo?

Kulikuweco na mitambo ya maji katika Ngomano, Mutito na Kalithu. Mitambo hiyo iliharibika miaka kumi iliyopita na kuchukuliwa na wahandisi wa Serikali hadi Nairobi ili itengenezwe. Kutoka wakati huo mpaka sasa, mitambo hiyo haijarudishwa. Hii ni kusema ya kwamba ile Serikali iliyopeleka mitambo ya maji katika sehemu hizo ndiyo iliyoiba mitambo hiyo. Kama hivyo si kweli, mitambo ile iko wapi?

Bw. Naibu Spika wa Muda, katika sehemu ya uwakilishi Bungeni ya Mutito hakuna hata kisima kimoja cha maji. Kama ninavyosema hapa mara kwa mara, sehemu ninayowakilisha katika Bunge hili ni kubwa kushinda nchi ya Djibouti. Lakini utapata ya kwamba watu katika sehemu hiyo wanahangaika sana. Kwa nini hatuna hata kisima kimoja cha maji? Ningependa kuiomba Serikali izingatie shida iliyopo katika sehemu yangu ya uwakilishi Bungeni na itusaidie katika mipango hiyo.

Katika makadirio ya mwaka huu, Waziri wa Fedha ameipa sekta ya matibabu pesa za kutosha. Lakini mimi hushangaa kila Wizara ya Afya inapotengewa pesa. Hospitali nyingi katika sehemu za mashambani zina taabu sana. Madawa hayapatikani. Nimemaliza karibu miaka mitano sasa tangu nilipoona tembe ya Aspirin mara ya mwisho. Hakuna madawa, ambiulensi hazipatikani, na wanawake wajawazito wanazalia vichakani. Hii ni aibu. Watu wanaumwa na nyoka katika sehemu ile, miaka 38 baada ya Uhuru, lakini wale waliomo Serikalini hawaoni haya. Ni lazima wawe wamekosa adabu! Hata wafanyikazi hakuna katika hospitali hizo. Utaona ya kwamba hospitali kubwa imefunguliwa, lakini haina wafanyikazi wanaoweza kuwatibu wagonjwa ambao huenda kutafuta matibabu. Kwa hivyo, ningependa kuiomba Serikali iliangelie jambo hilo.

Bw. Naibu Spika wa Muda, shule katika sehemu yangu ya uwakilishi Bungeni zina taabu sana. Imekuwa vigumu kwa shule hizo kufanya vizuri katika mitihani ya kitaifa kwa sababu hakuna vitabu ama walimu wa kutosha. Shule katika Wilaya ya Kitui zina shida sana ya walimu. Walimu katika wilaya hiyo hawatoshi, vitabu havipatikani, maabara hakuna. Hiyo ni shida moja kubwa sana ambayo ningependa Serikali itusaidie kuitatua ili tuweze kupunguza migomo inayofanywa mara kwa mara na wanafunzi.

Pia, ningependa kuiomba Serikali ikomeshe ufisadi na izingangaze wilaya kama vile Kitui kuwa sehemu kame. Wafanyikazi wa Serikali katika sehemu hiyo huchukua hongo ili waweze kuishi vizuri. Wilaya ya Mwingi, ambayo ilikuwa sehemu ya Wilaya ya Kitui, imetangazwa kuwa sehemu kame. Wilaya ya Kitui haijatangazwa kuwa sehemu kame. Hii ni siasa ambayo haiwezi kulisaidia taifa hili. Hii ni siasa inayochangia magendo na ubaguzi katika nchi hii. Labda Wilaya ya Mwingi imetangazwa kuwa sehemu kame kwa sababu Waziri Kalonzo Musyoka anatoka huko, na Kitui haijatangazwa kuwa sehemu kame kwa sababu ni eneo ambako ametoka Bi. Ngilu. Hivyo basi, Serikali imetuacha tuhangaika. Tutabaki katika Upinzani milele kama Serikali itaendelea kutubagua! Hata hivyo, hatutachukua muda katika Upinzani kwa sababu Serikali itaondolewa mamlakani mwaka ujao.

*(Applause)*

Bw. Naibu Spika wa Muda, ninafurahia sana jinsi mipango ya kurekebisha Katiba inavyoendelea. Lakini ningependa sisi katika Bunge hili tuwe chonjo na kupinga jaribio lo lote la kuifanyia Katiba marekebisho makubwa. Kufuatia "ukora" unaoendelea kati ya chama cha KANU na kile cha NDP, Mswada wa kubadilisha Katiba unaweza kuwasilishwa katika Bunge hili ili Bw. Moi aongezewe mhula mwingine kama Rais wa nchi hii. Kwa hivyo, iwapo Prof. Ghai atafanya kazi yake vizuri, tutahakikisha ya kwamba hakuna mabadiliko yote makubwa ya kikatiba yatafanyika katika Bunge hili, ili kusije kukawa na mvurugano usio na maana katika nchi hii na kutuletea vita vya kujitakia sisi wenyewe.

Bw. Naibu Spika wa Muda, jambo lingine ni juu ya matatizo yanayosababishwa na ugonjwa wa Ukimwi. Tunaendelea kupokea pesa kutoka kwa wafadhili ili watu wajulishwe juu ya ugonjwa hatari wa Ukimwi, lakini

hizi pesa hazijafika sehemu za mashambani. Hata ni vigumu kuandaa mikutano katika sehemu za mashambani. Wakati Bw. Powel alipokuja nchini Kenya, tuliongezewa pesa za kupambana na Ukimwi. Wakati huu, Rais Moi na wengine wako New York. Je walienda kule kwa honeymoon? Tunaongea juu ya kupambana na ugonjwa wa Ukimwi, lakini, wakati pesa zinapopeanwa, hazitumiwi kwa njia muafaka. Inafaa Wabunge wapewe heshima na kupewa hizo pesa ili tuelimishe wananchi kuanzia mashinani. Haifai tuwe na madharau na kutoheshimu Bunge, maanake sisi sote ni Wabunge. Tunakoseana heshima, mpaka hata kuna ubaguzi katika sehemu za kuegesha magari hapa Bungeni. Sehemu ya "Flag Cars Only" iliyotengwa mwaka wa 1963, wakati wa ukoloni, ndiyo hali tunayorudia halafu sisi Wabunge tunaegesa magari yetu mahali pa wageni. Who is a visitor? I am an elected Member of Parliament in this House! Mimi si mgeni. Niko hapa Bungeni kihalali hadi miaka yangu mitano iishe. Ningependa kumwomba Bw. Spika aangalie hilo jambo kwa sababu ni miongoni mwa yale matatizo tunayoyapata.

Hata wakati mwingine, wakati Rais Moi anazuru sehemu fulani ya uwakilishaji Bungeni, Mbunge wa sehemu hiyo hunyimwa nafasi ya kusalimia wananchi waliomchagua. Inafaa Mtukufu Rais atofautishe kati ya kuwa mwenyekiti wa KANU na Rais wa Kenya anapozuru pahali popote. Ikiwa amezuru sehemu fulani kama Rais wa Kenya, tunamheshimu kwa hiyo miaka mitano ya mwisho aliyochaguliwa. Hata akizuru Mtito inafaa atambue kwamba amezuru sehemu yangu ya uwakilishaji Bungeni. Katika orodha ya viongozi wa sehemu hiyo kuna Mungu, Moi, halafu Kitonga. Ningeomba tuheshimiane.

Asante sana, Bw. Naibu Spika wa Muda, kwa kunipatia nafasi hii.

**The Assistant Minister for Finance and Planning** (Mr. Lomada): Thank you, Mr. Temporary Deputy Speaker, for giving me the opportunity to contribute to the Budget Speech, this time, as an hon. Member for Sigor Constituency, though I am an Assistant Minister.

Mr. Temporary Deputy Speaker, Sir, I would like to congratulate the Minister for the Budget Speech. It was very balanced and it catered for the improvement of the living conditions of every individual in this country. It also addresses the poverty alleviation phenomenon. The allocations given to various Ministries are actually fair and deserving. At least there are no complaints from any Ministry for what it received. I know that is exactly what each Ministry had budgeted for.

Mr. Temporary Deputy Speaker, Sir, I would like to ask every Ministry to put this money to its planned programmes. We have had problems with embezzlement of money. Money has been misused in various areas. Every Ministry must account for every cent and do proper auditing for whatever money it receives. All those hon. Members who have contributed to the Budget Speech have talked about corruption. The reason why we are talking about corruption is because the Ministries and the people who are in charge of whatever money that is given to them have not been using the money properly. I would like to stress that proper accounting should be done in every sector so that we do not have hon. Members of Parliament coming to complain in the House, and our people who are the taxpayers do not complain for not getting their due.

Mr. Temporary Deputy Speaker, Sir, I am happy the Minister for Roads and Public Works was here, but he must have left. In the whole country, quite a number of roads are in pathetic situations. For example, roads in West Pokot are not good. Many of them are impassable. Whenever I visit my constituency and try to drive around to see my people, it has not been possible for me to reach certain areas of my constituency because the roads were washed away by the *El Nino* rains, and this year's rains have worsened the situation. I would like to ask the Government, and especially the Ministry for Roads and Public Works to---

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

**The Assistant Minister for Finance and Planning** (Mr. Lomada): Mr. Temporary Deputy Speaker, Sir, from the beginning, I said that I was speaking as an hon. Member of Parliament for Sigor Constituency.

**Mr. Mwenje:** On a point of order, Mr. Temporary Deputy Speaker, Sir. While I appreciate Mr. Lomada has a constituency, is he in order to complain when we are actually supposed to complain to him? Who is complaining to who?

**The Assistant Minister for Finance and Planning** (Mr. Lomada): Mr. Temporary Deputy Speaker, Sir, I made it clear that I am speaking on behalf of my people of Sigor Constituency. So, I am in order to speak out my mind.

Mr. Temporary Deputy Speaker, Sir, quite a number of roads in my constituency are in a pathetic situation and they should be repaired. I would like to ask the Minister to ensure that his officers repair these roads.

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Lomada, you are the Assistant Minister for Finance and Planning. So, who are you asking?

**The Assistant Minister for Finance and Planning** (Mr. Lomada): Mr. Temporary Deputy Speaker, Sir, I am talking about roads, and there is a Ministry that is in charge of roads. I am not talking about my Ministry.

**The Temporary Deputy Speaker** (Mr. Imanyara): But who allocates the funds to the Ministry of Roads

and Public Works?

**The Assistant Minister for Finance and Planning** (Mr. Lomada): Mr. Temporary Deputy Speaker, Sir, it is true my Ministry allocates the funds, but it is up to the various Ministries to utilise the money allocated to them properly, for whatever programmes set for in the Budget.

Mr. Temporary Deputy Speaker, Sir, I would like to comment on the Ministry of Agriculture, especially when it comes to crop planting. In West Pokot District, cotton does very well, though there is also pyrethrum and other crops which do well. There are various areas in the district suitable for cotton planting. We would like to be provided with cotton seed. I understand that some districts were given cotton seed, but unfortunately, West Pokot was either forgotten or somebody skipped it. I would like to ask the Ministry of Agriculture to provide West Pokot District with cotton seed now that we still have the rains, so that our people also begin to plant. This is a crop that can do very well in West Pokot, and it is quite unfortunate that we were not remembered.

Mr. Temporary Deputy Speaker, Sir, I would also like to ask the Ministry of Agriculture to consider the issue of wasted water from running rivers. There are rivers which flow into Lake Turkana, Lake Baringo, Lake Victoria and many others. This water could be used for irrigation. The Government should assist wananchi so that the water that is just running into the lake could be used for irrigation in various areas. For example, in Sigor Constituency, we have River Muruny, River Turkwel and River Wei Wei which are just flowing freely into Lake Turkana instead of our people making use of it. We have good land, but it is not possible for an ordinary person to do irrigation. I would like to ask the Minister for Agriculture to address this issue so that we are not fed on relief food every time. We would like our people to be able to feed themselves instead of being fed on relief food every now and then. They should be empowered to grow crops that can do very well in those areas.

Mr. Temporary Deputy Speaker, Sir, it is also important that my colleagues here - instead of leaving everything to the Ministries and Government officials - should be in-charge of their own constituencies.

With those remarks, I beg to support the Motion.

**Mr. Mwenje:** Thank you very much, Mr. Temporary Deputy speaker, Sir, for giving me this opportunity to tell this Government that it should concentrate more on the improvement of the economy rather than on politics. All they are doing is to concentrate on politics instead of looking at the Budget, to see how it could help this country. The hon. Member who was on the Floor is an Assistant Minister for Finance and Planning and we expected him to tell us what they are proposing to do. He should not be complaining all the time in this House. I invite him to cross over to this side of the House so that he can talk the way he is talking, rather than behave like a bat. He is neither on this side of the House nor the other side. I do not know where he belongs!

**The Assistant Minister for Finance and Planning** (Mr. Lomada): On point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to call Ministers "bats" that have no stand? Is he in order?

**The Temporary Deputy Speaker** (Mr. Imanyara): He is merely expressing an opinion arising out of your contribution.

**Mr. Mwenje:** Mr. Temporary Deputy Speaker, Sir, that is frivolous and I do not have to respond.

What I am saying is that when the Government tells us that they are retrenching officers, are they improving the economy or messing it? When you retrench 6,000 Government employees and you are not even paying them immediately any money to go and sustain themselves, then what kind of Government is this? Those who were retrenched during the last financial year have not been paid their dues to date. How can this Government tell us that it is in place and working well and yet, it does not even look at the welfare of its own officers? Hon. Members of Parliament have complained about the plight of farmers. Farmers have not been provided for in this Budget. How could the same Government tell us that the Budget is addressing the welfare of Kenyans when they have not even bothered to look after the farmers of this country? All they are doing is to take into account the welfare of the few foreigners here in the industrial sector. Most of the industries in this country are actually owned by foreigners. This Government has failed Kenyans and it should own up. I am soon going to tell them how to do it here.

Mr. Temporary Deputy Speaker, Sir, the best this Government can do, instead of addressing the problems facing our economy, is simply to take one Member of the Opposition and make him a Minister of Government. How does that benefit the community where they come from? We are not supposed to look after the welfare of an individual! We are talking about the welfare of the people we represent. That is why we have the inscription "FOR THE WELFARE OF SOCIETY AND THE JUST GOVERNMENT OF MEN" on the entrance of this Parliament. How does the appointment of certain individuals to the Government benefit our society? It does not assist in any way! That is the kind of politics that cannot assist this country at all. Even if one drives a Mercedes Benz 500 SE and the people he represents are hungry, then how can that help them? We, in the Democratic Party, would like to look into the welfare of our people so that the economy can improve and our people benefit.

Mr. Temporary Deputy Speaker, Sir, we have been told by groups who are doing some analysis of this Budget that the Kenyan economy shrank by -0.3 per cent when the global economy rose by 4.7 per cent. When we are going backwards, the rest of the world is going forward. What kind of country is this? Who is messing us up? We have been complaining of recurrent drought, but the rains are now here! What is messing us up is corruption and simple concentration on politics, where some individuals go around the country asking others to join them. Who will join a bankrupt Government? It is bankrupt not because there is no money, but because they stole that money!

**The Assistant Minister for Finance and Planning** (Mr. Lomada): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member not making a serious allegation by saying our Government is bankrupt? He should be made to withdraw that statement!

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Lomada, you know very well that you are going to have an opportunity to respond! Just let him complete his contribution.

**Mr. Mwenje:** Mr. Temporary Deputy Speaker, Sir, when the economy is minus, then we are even worse than bankrupt! There should be another word in the dictionary that should be used! This Government is leading a country with a negative economy! What does he understand by the term "bankrupt"? I am a banker by profession and I know what that means!

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Mwenje! Could you, please, address the Chair?

**Mr. Mwenje:** Mr. Temporary Deputy Speaker, Sir, I am addressing the Chair. It is only that I was trying to correct this Assistant Minister!

Mr. Temporary Deputy Speaker, Sir, this Government should not continue making a Budget that depends on aid. How could they budget for money which is not in their kitty? We have not been given this aid money and yet, the Budget consists of 20 per cent of aid money. In fact, we have not fulfilled the conditionalities set by the donors for that money to be released! The donors would like to see the re-establishment of the Kenya Anti-corruption Authority (KACA). We enacted a law to establish KACA, but the Government used the courts to destroy the same. We have also been told that we must uphold the ideals of pure democracy, but we are somewhere in-between. We are not doing the right thing! Even that aid is not forthcoming. How can aid be given to people who steal their own money? Who will give you that money? Nobody will give you money when it is clear that you are going to misuse it. It is ironical that Kenyans are being told that the Budget is balanced when it is made up of money from aid which is not there!

Mr. Temporary Deputy Speaker, Sir, I would like to take this opportunity to advise this Government on how to assist Kenyans and on how to improve the economy. They, have failed and they should admit it.

Mr. Temporary Deputy Speaker, Sir, other people should run the affairs of this country. Sooner or later, a better arrangement of Government will be in place. This Government will be led by hon. Kibaki as the President.

Mrs. Ngilu and Mr. Wamalwa will be the first and the second Vice-Presidents, respectively. Mr. Nyachae will be the Prime Minister. We will have two deputy Prime Ministers. Mr. Mwenje will be the Minister for Finance.

Take it from me; that will be the Government of this country. I believe everything will be okay. We cannot continue with this Government because it has failed to deliver. Kenyans should vote for a Government that will deliver so that we improve our economy. We will get aid. You do not budget on aid which will never come. The situation is very bad.

Mr. Temporary Deputy Speaker, Sir, the Minister announced here that the increment of Kshs2 will not be passed to consumers. However, the increment has been passed over to the consumers. Why is this so? I have been waiting for the Minister to say that it is illegal, but nothing has happened. Let the Minister revoke this increment. The Minister, as a person, is a good man, but the forces behind him and this system will not allow him to work independently.

Mr. Temporary Deputy Speaker, Sir, we talk of poverty eradication. But many people in this city are very poor. Every time they erect kiosks, personnel from Nairobi City Council and the Provincial Administration demolish those kiosks. When you demolish a kiosk which is the only livelihood of a poor person, what else do you expect him to go? He will become a thief. We will start talking about insecurity. The insecurity in this city is caused by the fact that people are very poor. Unless the Government allows people in Nairobi to operate kiosks in order to be able to sustain themselves, the insecurity will continue. The fact that the police themselves contribute to insecurity is a very worrying situation. The guns that are used to rob people in Nairobi are police guns. Why have we allowed this situation to continue, unchecked? This illustrates the total failure of this Government. Let them resign today - not tomorrow - so that we can show them the way.

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

**The Assistant Minister for Energy** (Mr. Sasura): Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to contribute to Budget Speech.

This is a very important item to be discussed in this House. It is only unfortunate that it is not treated with the seriousness it deserves by hon. Members. Over the last 10 or 20 years, the Kenyan economy was growing at the rate of between 4 to 8 per cent. The fact that it recorded a decline of negative 0.3 per cent is a very pathetic situation that deserves a lot of seriousness.

This year's Budget has some little hope in the recovery of our economy. This is because it contains proposals that will jump-start our economy. But when we talk about our economy recording a decline of negative 0.3 per cent, we should address the basic needs of Kenyans. We should ask ourselves whether our people can afford food. We should address the issue of shelter. Are our people sufficiently housed? Do they pay reasonable house rents?

If we consider the fact that the rains have failed over the last few years in this country, then the situation of food is not very good. Thanks to the World Food Programme for saving many Kenyans who would, otherwise, have perished due to starvation. Shelter is a very major concern, especially when we look at the plight of civil servants and teachers vis-a-vis the retrenchment programme. I agree with Mr. Mwenje that retrenched civil servants have not even been paid the Kshs40,000 they were promised. I am not talking about the package that they were promised. In the Budget proposal, we want to retrench 6,000 civil servants. To add insult to injury, the Government wants them to vacate Government houses by 1st July, 2001. We are taking this action when we have increased the civil servants' house allowances by a meagre Kshs500 to Kshs1,000. This is a very pathetic state of affairs when you consider the fact that many Kenyans cannot afford basic needs.

Mr. Temporary Deputy Speaker, Sir, in the Budget proposals, the Minister pointed out that the Government will increase the cost of fuel by Kshs2. He said that this increment will not be passed over to the consumers. However, the major dealers have passed these increment to retailers. It is more or less an automatic process. With this increase in the cost of fuel, all prices of other commodities will shoot up. It is very difficult to control prices in a free market situation like Kenya. If we look all at these factors, you will realise that the life of Kenyans will be very difficult.

I would like to make specific reference to our police force, with regard to their shelter and remuneration. We talk about corruption in this country. I do not expect this to go down when the law enforcing agents are demoralised. I do not expect a police officer in Central Police Station who stays in a house measuring eight by ten feet room, which he has to share with two other officers, to wake up in the morning and enforce the law as required of him. I think it is high time we reviewed their salaries and house allowances to reflect the market value. If we have to stop corruption and streamline most aspects of our life, then we must improve the life of members of our police force.

Our major problem is management of institutions. We get most of our money from donors. For example, in the last Financial Year, we got Kshs3.7 billion and Kshs4.4 billion as loans and grants respectively from the bilateral donors. From the multilateral donors we got Kshs5.9 billion and Kshs4.7 billion as loans and grants respectively. Where does all this money go to? If this money was managed properly we would improve the life of our people.

On the Local Authorities, when the service charge was replaced by the Local Authority Transfer Fund, there was a little iota of hope. But you find that Treasury gives money to the Ministry of Local Authority and eventually it goes down to the Local Authorities where it is misappropriated. But the Ministry of Finance does not seem to know how this money is spent. Money from the Local Authority Transfer Fund is being misappropriated in our Local Authorities. We have about 167 local authorities in this country. They receive millions of shillings every other financial year, but do not change the life of our people. I think it is high time the Ministry of Finance put strict controls on the expenditure in our Local Authorities.

Mr. Temporary Deputy Speaker, Sir, the Budget has not adequately addressed the issue of security in this country. We have got one of the best security forces in this region. But we only see them with a lot of happiness during the national days when they colour those occasions. But after they remove their uniforms, there is not much that we can expect from them in terms of output.

Mr. Temporary Deputy Speaker, Sir, if you look at northern Kenya, you will see that insecurity revolves around our lives every other minute. The situation is very pathetic because the telephone is not working in a police station and there is no Land Rover. A police officer who is called to attend to a banditry attack after a few people have been killed has no means of reaching the scene of crime. This Budget should have addressed these issues adequately by providing adequate equipment to our forces. We should find a way of clearing telephone bills in Government offices. You will find a district commissioner's office has only one telephone line and that is the direct line of the district commissioner. Maybe, we should ask Telkom Kenya to write off part of the telephone

bills, if they cannot be paid. For how long are we going to operate like this? It is even cheaper to buy radio calls for our police stations than having telephone lines because they offer better means of communication. The issue of insecurity is a major concern to mwananchi and it should be addressed by the Ministry of Finance.

Mr. Temporary Deputy Speaker, Sir, you will find that political moves have got a close relationship with the security organs of the Government. Lately, the fact that some hon. Members of the Opposition have crossed to the Government side has brought some calmness in the country. I think it has made us forget most of our problems. Shifting alliances and looking at what parties are doing has made Kenyans forget most of their problems. People are now focusing towards what is going to happen, come the next General Elections. We are witnessing a very unpredictable political situation. Right now, hon. Members are not even ready to contribute to the Budget Speech. Is it that they have nothing to say on the Budget or the Budget Speech has covered everything and that is all?

Mr. Temporary Deputy Speaker, Sir, if political moves are going to solve the problems of this country, I would suggest that more Members from the Opposition should cross over to the Government side and then we can see the difference. I do not see anything wrong with that. We do not need to wait for the General Elections before another party comes to this side. We can still accommodate most hon. Members from other parties, including Mrs. Charity Ngilu, Mr. Munyao or even Mr. Mwenje as Minister for Local Government. But the bottomline is, let us improve the lives of our people by providing them with basic needs.

With those few remarks, I beg to support.

**Mr. Mwakiringo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget Speech.

Mr. Temporary Deputy Speaker, Sir, this Budget Speech has a lot of viruses in that, the language used is so nice and good. It is not homegrown. It is only written to please the donors. When you do not address the farmers on the ground and self-sufficiency in food, governance becomes impossible. You cannot govern a hungry Kenyan or a hungry common mwananchi. He must have enough food. The Budget has not addressed the harvesting of water from seasonal and permanent rivers in this country, which we could use to irrigate and enable mwananchi to feed himself. Corruption has taken greater heights in this country that, even when you are asking for a particular road to be built in a certain area, you will find that person asking for something small in order that he can assist you. This has made the Mzima Springs catchment area to Mombasa stall up to now because somebody somewhere wants something for himself before he can give the go-ahead for the construction of the Mzima Phase II pipeline to Mombasa. Why should we allow corruption to take centre-stage in the development of this country? If that intake has already been built, what is stopping the construction of the same to Mombasa? The water from the Mzima Springs would be used to irrigate land along the coastal line up to Mombasa. The water would be used for agricultural activities by farmers who have got ranches along the way to Mombasa. The water can also be pumped to the eastern parts of this country. I pity the farmers because they have not been taken care of by this Government.

Mr. Temporary Deputy Speaker, Sir, with regard to retrenchment, we have been forced to retrench our own workforce from the Government and the private sector by the donors, without having analyzed what would be the aftermath of retrenchment. If you retrench somebody and you have not supplied electricity in the rural areas, we are not assisting those people who have been retrenched and have got the skills to do panel-beating and all sorts of small jobs which can be done in the rural areas. We are not doing any meaningful process of privatization when the same people cannot be sustained in the rural areas.

Mr. Temporary Deputy Speaker, Sir, the Budget must trigger some development activities. Privatisation must include the common mwananchi on the ground. It should not be a process of one Kenyan individual tycoon forming a company outside the country and then pretending to come back again as a prospective investor in this country to ruin our economy. I expected the Minister to urge Kenyans to form co-operative movements. Let us revive the co-operative movement so that when it comes to the privatisation of Telkom Kenya and the Kenya Ports Authority, Kenyans will be there to buy shares. There are co-operative movements like the Taita-Taveta Co-operative Society, the Kilifi Co-operative Society and the Kwale Co-operative Society which would want to be incorporated in the privatisation of the Kenya Ports Authority. But that is not happening simply because an individual from this country has formed a company abroad and he is now coming back as a prospective investor to fleece the country.

Mr. Temporary Deputy Speaker, Sir, I expected the Budget to come up with a strategy to curb and control the liberalised market. The market is so open that we have let even eggs and milk from South Africa to be imported. How do we protect our farmers here with such a market situation? If the Government is committed to eradicating poverty, it must come up with anti-dumping policy in this country. Otherwise, our farmers are going to lose completely. We must have anti-dumping policy. All countries worldwide have a policy on anti-dumping and

quota systems. You cannot liberalise everything and leave everything to foreigners. Even if your wife is a born-again Christian, definitely, you cannot allow her to go on worshipping Jesus even at night without taking care of your children. You must give her a time limit; when to be out and when to be back in the house to take care of your children. We want to see cash flow in this country all year round; every month and week. Let us see the Government coming up with a better policy - if it is acceptable - and I am sure it is possible. Let us pay our workers on a weekly and fortnightly basis, so that we have money flowing every month. For example, the Government should pay the Kenya Police Force and Ministry of Agriculture and Rural Development on 20th and 22nd of every month, respectively. It should also pay the Office of the President on 25th of every month, and other Ministries on varying dates. We need a better cash flow in the Government. Let us not have the tendency of paying public servants at the end of every month. Even thieves know that people are loaded at that time, but once we have rotational payments on divergent dates, I think it will revive the economy because there will be cash flow all round.

We are killing our own Kenyans in terms of tourism. The fares of the Kenya Airways are too exorbitant and common Kenyans cannot afford the fare between Nairobi and Kisumu, and between Nairobi and Mombasa, and to all other areas. When African Express was doing business, it was charging Kshs3,000 for return airfare to Mombasa. The Kenya Airways brought up its fare to Kshs3,000 and yet, it was still making profits. But after they made sure that they had killed the African Express Airlines, they shot their fares up again. A common mwananchi cannot afford that, yet he or she wants to travel. Most of the people would want to use airlines, but they cannot because their fares are too exorbitant, and yet the Government cannot afford to repair the road between here and Mombasa. You have not taken care of the common mwananchi. You have even removed the train commuter service between Voi and Taveta, and that was the only lifeline for market women in Voi and Mwatate because there is no road between Voi and Mwatate. Now that the elections are near, the KANU Government has promised to send a train to Taveta once again, at the end of July. The Government should not have promised that because of the impending elections. This is because we know the Government's machinations. Immediately after the elections, the Government will again withdraw the train service. Why politicize the train service between Voi and Taveta? Are they not Kenyans?

Let us have a Budget which is focused. Ministers, you are political figures. Let your technical team not manipulate you. Serve Kenyans! I want to concur with one of the Assistant Ministers who previously said that it is better to have five efficient Ministers who can deliver the services to wananchi, rather than giving those ministerial positions on tribal grounds in order to balance. It makes no sense at all when the services are not reaching your people, whether you are a Minister or not. If your people are not getting the services, it is useless to have one.

Regarding the Poverty Eradication Strategy Paper, let the people call for meetings in the rural areas, rather than calling for technical officers from the Government all the time and paying them allowances in particular areas, and yet they do not deliver what is required of them.

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

**Mr. Muniyao:** Thank you, Mr. Temporary Deputy Speaker, Sir, for also giving me a chance to make a few remarks on this important Budget Speech. I will begin by congratulating the Minister for Finance for having been so wise to put a square peg in a hole, because this Budget was very difficult. It is very true that this country is very difficult to run because economically we are in a bad situation. The Minister has done his bit, but it is upon him again to try and instal discipline into the Ministries. Since Independence, we have had Budgets being read out every June. Not a single June has ever been jumped without the Budget being read out. But for the last 20 years, Budgets have lost meaning. This is because you hear that money had been provided for in the Budget, but somehow, somewhere, that money never reaches the mwananchi. We do not know where that money goes to, but, perhaps, the savings which have been accumulating from that time, maybe, are the ones which are being used for adjusting the Civil Service salaries. This is because the Government knows that next year, there will be General Elections and it must please some quarters. If that is right, let it be, but there must be something because we do not know whatever---

Many other hon. Members who have spoken before me touched on agriculture. This is a very important sector that we must all touch on because without agriculture, there is no Kenya. We have many times talked about the backbone of our economy being agriculture, but little is seen being done to support what we keep on saying. This is because if we all agree that agriculture is the backbone of Kenya, and yet when it comes to the Committee of Supply and Committee of Ways and Means, we do not show it, surely, what are we telling Kenyans?

Fluent and flowery language had been used to describe the PRSP, and the only sure way of eradicating poverty is for this country or this Government to keep the farmer busy. Just the other day, we passed the Sessional Paper on tea industry, and tea farmers are very happy. Coffee farmers are very sad today, and we have the

Sessional Paper No.2 on the liberalisation and restructuring of the coffee industry, which is pending before the House. I am confident that we are going to deliberate on it and pass it to the satisfaction of the farmer. If we also do the same to the Sugar Bill--- And I have to remind the House that the Committee on Agriculture, Lands and Natural Resource has warned the Minister to publish it, and if it is not published by July; just a few days from now, an hon. Member from the Committee will publish it, and it will be embarrassing to the Minister. Therefore, the Minister had better be warned that we want the Sugar Bill here, so that we can discuss it and then the farmer will start taking action. The same applies to cotton and dairy farming. If all sectors of agriculture are catered for, 50 per cent of Kenyans will be busy in the countryside, and that is a sure way of poverty reduction.

The Minister also talked about the foreign exchange, and it is now a few years since we abolished the foreign exchange controls. No developing country like ours can ever afford to do away with foreign exchange controls. South Africa is far much richer than us and can control the whole of inland of Africa, and she has got foreign exchange rules. Still, many other countries have such rules. We must have a way of saving our seriously hard-earned dollar and foreign exchange. I am, therefore, calling upon the Minister to re-introduce the foreign exchange controls immediately. Even the system which used to allow Kenyans to get permits from the Central Bank of Kenya, at least, used to save on 5 per cent or 1 per cent. That money used to be for Kenya, but when you open your door like that, where is the money going to? Does the Minister ever ask himself that question? We would like the Minister for Finance to, first, be honest and sincere. Even when answering Questions in this House, he should give us the truth; we should be told of what is happening. According to the law, it is mandatory for commercial banks in Kenya to use 17 per cent of their deposits as loans to farmers. Maybe, it is only the Corporative Bank which adheres to this kind of law. When the Minister replies, could he tell us how many banks have adhered to this requirement of 17 per cent of deposits being given to farmers?

Earlier on, a certain speaker quoted the Budget Speech, which was read on the 14th. I was here on that day and the Minister increased the price of petrol by Kshs2. He specifically said that, that Kshs2 will have to be borne by the oil companies. By midnight the following day, all filling stations had adjusted petrol prices to reflect the Kshs2 increment, which included diesel, super, regular and others. Two days later, I heard the Minister say that he did not give that directive and that no other kind of petrol other than Super went up. These new prices have been in operation for two weeks despite the Minister telling the Press that the prices will remain the same. What will be done later because petrol dealers are still charging this Kshs2 illegally? Will there be a refund? How will this be possible?

Twenty years ago, the Government had some authority, such that if it issued directives they were followed. Today, this authority is gone. You will find a Minister giving a directive which nobody follows. If I were the Minister for Finance now, I would resign. The Minister must make an attempt to bring back the credibility of the Government because it has now become a laughing stock. Nobody has got any respect for this Government. The Minister or the entire Government should resign because that is the only way Kenyans and the rest of the world will take this country seriously. This is a Government which is defied by companies, matatu owners, petrol station owners and *sukuma wiki* sellers. Who are they supervising? If I was in the Government right now, I would be really sad. I would cry today because it is a total shame and a sign of failure for a government to fail to be heard.

It is a long time since pension schemes became organised. Those civil servants who retired 15 years ago are entitled to a pension of Kshs5,000 to Kshs7,000 because, at that time that is the amount a senior officer was supposed to get. Right now, this kind of money is peanuts. I would like to request the Minister to look into ways of improving pensions for those officers who retired earlier. Even if the Minister orders today that the pension for those officers who retired 10 or 15 years ago be improved, the officers who retired two or three years ago will not be included. At the moment they are suffering.

There is this new concept of retrenchment which came the other day. One of the principles of employment is that if anybody in a senior position, whether an employee of the public service or the private sector, can go on leave for ten days and nothing happens; then he comes back and goes away again for ten days, then that position is not required. By the same token, if the President of Kenya can afford to be out of the country for ten continuous days, and things are still running smoothly here, then we do not need that presidential position. Therefore, those who have been talking about retrenchment had better add this position among those enlisted for retrenchment. If any position has got to be done away with, it must be the presidential one, because it is the most expensive to run.

**Eng. Kiptoon:** Thank you, Mr. Temporary Deputy Speaker, Sir, for allowing me to contribute to this very important Motion that has got to do with our future. I must start by commending the Members of this House for the way they have conducted themselves, especially in the recent past. They have shown some element of unity and togetherness in determining the way forward for our country. I would also like to congratulate the Minister for



coming up with a very viable Budget although I must add that the Budget was more of an academic exercise than being practical.

Our economy has been growing at a minus figure and that means that rather than growing, it has been contracting. This should not be allowed to happen. I thought that the Minister should have showed us ways in which we can achieve positive development. The Minister did not suggest ways of re-activating the energy in our people to work harder and produce more so as to get the economy back on track. One such suggestion would have been that we revert back to our former six working-days week rather than the current five-working-days week because the two days that we take off are too much of a luxury for us. The sooner we got back to working harder and for a longer time, the better for our economy.

However, the Budget did give some hope to our people who had sort of given up. Now that they have some fresh hope, this will give them even more confidence to work harder. Not much was allocated to the farmer in this year's Budget and yet farming is the backbone of our economy. The farmer is the one who keeps our economy running. When we do not give the farmer enough incentive and do not encourage him to move forward, we are not doing much. I am particularly concerned with the fact that the livestock farmer has not been catered for in the past. Most of the loans that we borrow from the donors have in the past gone to crop farmers. A lot has been said about coffee, tea, wheat and maize farmers, but you will hardly hear of any loan being given to the livestock farmer.

I did not hear of any provision made to help the livestock farmer get cheaper acaricides or put up more dips and get more drugs for his animals. I did not hear of any efforts being made to encourage marketing of produce for this particular farmer. Most of the marketing outlets; the KMC and the *Halal*, have gone down. The Government seems to be doing nothing about this although we, Members in this House, have talked for a long time and impressed upon the Government to open up the KMC and *halals* so that people can get a market for their animals. This is one issue that we need to keep on repeating and reminding the Government. There is no way we can develop 80 per cent of our country, which is the arid and semi-arid land, without putting in money to encourage the livestock farmer to work as hard as the crop farmer.

Mr. Temporary Deputy Speaker, Sir, I am happy that the Government has found it fit to revitalise the cotton sub-sector. But as you know, there is no way in which we will grow more cotton if the ginneries are not working. In fact, today, all our people are wearing *mitumba*. I did not hear any tax being imposed on *mitumba* to discourage their importation. I heard of a tax being imposed on the importation of motor vehicles, but I did not hear of one being imposed on the imported textile. If we really mean to improve our cotton sub-sector, we need to impose heavy taxes on *mitumba* so that we can encourage the use of our cotton. That brings me to liberalisation, which we embraced with both our arms thinking that it was a good way of improving our economy. Unfortunately, liberalisation has actually ruined all that we had, and we now live on goods that are produced by other people. We have become a free market for goods from all over the globe. This should not be encouraged. We need to look at ourselves and be a bit selfish and shut some of the gates that we have opened wide and allowed foreigners to misuse our country.

Infrastructure, as has been said, is not in a good condition. For us to develop, we need to have a well-maintained infrastructure. We need to have telephone service and roads in the rural areas. We need to improve the working conditions of our people. If the Government puts more money into the infrastructure and monitors its use so that it is not misused by those to whom we entrust it, then we will go a long way in improving our economy. But we have the corruption monster. There is no way our economy will grow positively or even our political system develop if we do not address corruption. This is the thing that is undoing everything that we try to do. Corruption will always take us backwards. It is not so much the common man who is corrupt, but the leaders. When we all do not condemn corruption and go out and encourage it, then we have no hope of improving our economy. We realise that a big part of our economy is in foreign hands. Most of the banks that are now being encouraged to grow are foreign-owned, and most of the companies that are doing well are foreign-owned. I will assure you that when there is any form of instability, those banks will close down and we will have no bank. It is time we came up with a serious policy on how to Africanise and Kenyanise our economy.

Mr. Temporary Deputy Speaker, Sir, I recall that during the earlier days of our Independence, there used to be the Africanisation policy. This was a deliberate move by the Government to shift the economy from foreigners to Kenyans. But I do not know how we lost that particular policy. At the moment, we are a free-for-all country and this will not augur well for our future. This has encouraged a capital outflow from this country. In fact, most of our problems in this country are caused by the fact that the funds that we should be utilising locally are all being exported to foreign banks and organisations because their owners are not Kenyans. It is time that we encouraged Kenyans to own and manage the economy of this country, otherwise, we are depending on a false hope if we continue leaving our future in the hands of foreigners. I expected the Minister to have suggested ways of

encouraging those who have banked money outside to bring it back. I expected him to have suggested a way in which he could give incentives to those who have money here not to take it out of the country, but nothing of that kind was suggested and, as such, whatever we produce here will end up in other people's banks overseas.

But more importantly, what is putting all of us in suspense is the fact that we are not mature enough to face our political reality. One issue that is hanging over our heads, and has really created a lot of suspense, is succession. We wish our President would be clear and tell us whether he will retire after the year 2002, or whether he will go for another presidential term, so that we can plan for the future. Currently, everybody, including hon. Members of Parliament, is not sure whether the President will retire or not. This is really discouraging investments. I would urge the political decision-makers to ensure that the country is told the position, so that we can plan for the next 20 years or so. But, currently, everybody is asking whether the President will retire after the year 2002 or not. I am not saying that we have an answer, but we call upon the President to make that decision sooner than later, so that we can plan for the future. We shall then have courage to save and borrow. In fact, most of the problems that we have in borrowing are there because of the suspense in which everybody in this country is held. If we are all united and work together, we should be able to chart our future. In fact, I would have asked Members of the Opposition to really begin thinking seriously of not abusing the President. He is a human being and a man.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Mr. Imanyara): Where is the Opposition side today? Yesterday, we complained that there were no Ministers to listen but, today, there are no Opposition Members to keep the Ministers on their toes!

**The Assistant Minister, Office of the President** (Mr. Gumo): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this important matter. The Minister's Budget Speech was quite good and it really took care of the small man and poor people. But there is one thing that every year, we always forget! Kenya is an agricultural country and agriculture has really gone down to the extent that, even some large-scale farmers who used to plant 400 to 500 acres of maize plant only 50 acres today. There is no way we are going to develop or be industrialised unless we have enough food. The Agricultural Finance Corporation (AFC) does not give loans to farmers any more! What the Minister should do is to, first of all, finance the AFC, so that farmers could borrow money and produce enough food. There is no way anybody is going to work unless he has got enough food. But each time the Minister stands up, he does not say anything about agriculture. He says nothing about maize, sugar-cane, coffee and tea. Without those commodities, there is no way, no matter what we do, we will develop! So, we must make sure that a certain amount of money is put aside every year for the farmers, so that they can be able to borrow at reasonable rates. Presently, bank interest rates are too high to the extent that if a farmer borrows directly from a bank, he cannot pay back. Most farmers now are so indebted that they cannot repair some of their tractors. If you go round the farming areas, you will find that most of the tractors are broken down because farmers cannot maintain them.

Mr. Temporary Deputy Speaker, Sir, on the Value Added Tax (VAT), the Minister said that it will be paid from the source. We have some shopkeepers who have dead stock. I do not understand what he meant. I do not know whether he meant that the shopkeepers and businessmen should pay the VAT before they sell their goods or what. How will they pay VAT on stock that they have not sold? He needs to clarify that because most of the businessmen around are a bit worried about that. Since the economy is performing poorly, it is better to pay less tax, but have a bigger turnover. If taxation is high and nobody is buying, the Government will not get any revenue. The businessmen and manufacturers will not get anything either. We should make it in such a way that when the economy recovers, VAT should be, at least, reduced to about 10 or 12 per cent. This is because 18 per cent is very high and not many people can pay that at the moment.

Mr. Temporary Deputy Speaker, Sir, infrastructure in Kenya today, especially roads, railways and water transport, is in a shambles. In fact, most of the projects that had been started have now stalled because there is no proper supervision. We have got a very big problem with manpower. It is because people who are put in positions are not working the way they should. People are a bit scared and I do not know why. People do not want to make mistakes; they do not want to move. There is no way this country is going to come up unless people who are in positions are prepared to work and make decisions.

I am sorry to say that even some Ministers cannot make decisions. When you go to them and ask them for something, they tell you: "I must get clearance first." Why should you get clearance when you have already been given an office; you are a Minister or a Permanent Secretary? They all want to get clearance from the President before they can act so that should there be any problem, they can say that, "it is the President who told us to do it". Let people work. Make decisions! If you cannot work, then resign! Let other people do it.

Even some Permanent Secretaries cannot make it. They want to put all the blame on the President all the

time. The President is just one person. Kenya is not a school and he cannot run it as a school prefect. It is not possible! That is why there is delegation of responsibilities. People should make decisions and if they are wrong, let them be corrected. If they are right, we clap for them. We are in problems now and unless we decide to move, we are going to be in bigger problems.

Mr. Temporary Deputy Speaker, Sir, we have people in this country who know that the only business they can do is to grab land, sell it and claim that they are rich. If land is allocated to anybody now and sold for millions of shillings, I am sure even the poorest person in the streets would be a rich person. These things must stop. As I am speaking now, there are some people who have been allocated a green area in my constituency, Westlands, so that they can build a petrol station. We have more than eight petrol stations in Westlands Centre only and some people are still taking the land where our people rest, particularly the jobless, and where we hold meetings. I am sure many of you know that green place in Westlands which is opposite Jacaranda Restaurant. How can somebody be allocated an area like that? I have protested and I am telling whoever is trying to buy that land, that as long as I am still the Member of Parliament for that area, he is not going to develop it. This is because we cannot sit idle. In fact, we, in KANU, are giving opportunities to the Opposition to criticise us. It is as if I am giving a spear to Mr. Wanjala to spear me!

*(Laughter)*

We cannot allow things like these to continue. So, I am appealing to the Commissioner of Lands to withdraw that allocation. He should cancel it and let the area remain the way it was. This is because there is no way they will build there. They will not! My hungry people who sleep and rest there everyday will not allow those people to step on that land.

Mr. Temporary Deputy Speaker, Sir, we have many problems in police and military transport. But our biggest problem is that we do not accept facts, whether we have money or not. We want to be seen to be a rich country when we are not. There have been some occasions when the British Government has sold the military Land Rovers which were used in Bosnia, Yugoslavia and other areas. These vehicles had hardly been used, and the British Government has been putting them on auction in the United Kingdom. It is high time our people made a move and bought some of these vehicles. This is because some of these vehicles go for very little money, and yet, they have not been used because they are just operational vehicles. I would like to inform this House that these vehicles go at almost 20 to 25 per cent of the total price. When you tell people who are supposed to do this to act, they say that our Government does not buy second-hand vehicles, and yet, the vehicles they have are worse than second-hand vehicles.

*(Applause)*

Why do we not open up our mind?

Last year, the British Government almost sold 2,000 vehicles, and the Uganda and Tanzanian Governments went and bought some of them. In this country, we said that we cannot buy second-hand vehicles. We claim that we cannot buy second-hand vehicles, and yet, you find even military vehicles today, broken down on the road side. This is something that should not happen. The same case applies to police vehicles. When you call a police station, you are told that there is no vehicle. So, let the people who are responsible---

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Gumo, are those not departments within your Ministry?

**Mr. Sajjad:** Thank you, Mr. Temporary Deputy Speaker, Sir.

**The Assistant Minister, Office of the President** (Mr. Gumo): Mr. Temporary Deputy Speaker, Sir, as an hon. Member of Parliament, sometimes---

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Gumo, your time is up!

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

**Mr. Kanyauchi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to make a few remarks on the Budget Speech. The most important thing which the Budget Speech should try to tackle is the economy. I would like to say that the effect on the economy was not as much as we or wananchi expected.

First and foremost, there is the issue of infrastructure. This is the core of any economy. For any economy to register any growth rate higher than it is at any given level, there must be good infrastructure, particularly the roads, for ease of communication. It does appear that the Minister overlooked all these vital areas of our economy

to make it jump-start. We know that the economy has done very poorly lately. In fact, it has always registered a negative growth rate. So, I thought that the Minister should have brought in measures to jump-start the economy and he can only do so if he touches on areas that directly tackle or influence economic uptrend, like infrastructure.

My good friend, Mr. Gumo, has talked about agriculture. For many years, we have been known to be an agricultural country. Kenya is supposed to be an agricultural country, but what has happened lately is a very sad situation. This is because agriculture has more or less taken a back seat; it is no longer a priority even in the Budget Speech. I would like to say that agriculture is not given the foremost priority which it should be given. I expected the Budget to spell out ways of tackling the problem of tea and coffee.

Mr. Temporary Deputy Speaker, Sir, one of the biggest areas where we can jump-start our economy is the fishing sector. I, for instance, represent a constituency which is known for its fishing and the fish is exported to Europe. Even my colleague, Mr. Wanjala, the Member for "Bunyala", who is sitting across; Bunyala is a great--

**Mr. Wanjala:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I am not the Member for Bunyala; I am the Member for Budalangi.

**Mr. Kanyauchi:** That is not a point of order; it is a point of information. But I thank Mr. Wanjala for informing me. I am told Budalangi and Bunyala are one and the same.

**Mr. Wanjala:** No!

**Mr. Kanyauchi:** In any event, Mr. Temporary Deputy Speaker, Sir, to jump-start the economy, in some of these great fishing areas, like Gwasi and Budalangi Constituencies, the Minister should have given a specific commitment to jump-start fishing by putting up cold storage plants and electrify the whole of the lake region. If that is done, you will find that within no time, the income from fishing will be so great that the so-called poverty alleviation will be achieved in the whole of the lake region. It will also bring a lot of good to the economy of this country.

Mr. Temporary Deputy Speaker, Sir, some of the things which the Ministry has been involved in, like hosting seminars for poverty eradication, are not practical ways of eradicating poverty in this **[Mr. Kanyauchi]** country. We need practical solutions, like looking at the infrastructure, agriculture, fishing, at what goes to the core of any economy of any country and what the common mwananchi can use to sustain himself or herself.

Mr. Temporary Deputy Speaker, Sir, it is unfortunate also that tourism was not adequately covered in the Budget Speech and yet, we know how great this country is as a tourist destination. For years, tourism has brought in a lot of foreign exchange to this country. Obviously, one of the areas where we have gone wrong is the infrastructure, which I have alluded to. We need to seal those loopholes and ensure that our telephones and electricity works and that we have proper roads. He should also ensure that tsetse flies are removed. In my constituency, we have a great tourist attraction in Ruma National Park, but there is no tourist who comes there simply because the place is infested with tsetse flies. We need to put in place means and ways of eradicating tsetse flies so that tourists can come to places like Ruma National Park. If we do so, our economy will be jump-started and Kenya will regain its place as one of the great economic areas. Every country is trying to be an economic power, and Uganda which started the other day is almost now at par with us.

The Minister must go back to the drawing board, particularly in the next Budget, and ensure that everybody is involved in economic activities. At any time, if the economy is booming, the ordinary man will not be interested in politics. You can now see that because the economy is doing very poorly, day and night, Kenyans want to politick. No country can develop if its citizens politick throughout the year. We know that the general election will be held next year, but you may think it is coming up in a month's time or so. This is a very bad sign. The economy is not doing well because it has not been jump-started. So, you find that idleness has taken root. Consequently, Kenyans play politics from January to December. These are some of the things we must try and avoid.

With those few remarks, I beg to support.

**Mr. Wanjala:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I have contributed to this debate, but as you can see, our colleagues on the Government side have abdicated their responsibilities; we do not know where they are.

**The Temporary Deputy Speaker (Mr. Imanyara):** What point of order are you raising, Mr. Wanjala?

**Mr. Wanjala:** Mr. Temporary Deputy Speaker, Sir, are the Standing Orders going to bar those of us who are committed to parliamentary work from continuing to defend the interests of our people in this House? I would like a ruling from the Chair.

**Mr. Mkalla:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Some hon. Members on the Government side want to contribute to this debate rightaway. So, I do not see why Mr. Wanjala should raise that point.

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

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Wanjala, Mr. Mkalla is raising a point of order. So, you cannot inform me. You know that the Standing Orders were made by this House. There are hon. Members on the Government side who want to contribute to the Motion. Unfortunately, they are not there right now. So, I will give this opportunity to Mr. Sankori.

**The Assistant Minister for Tourism and Trade** (Mr. Sankori): Thank you, Mr. Temporary Deputy Speaker, Sir.

May I take this opportunity to congratulate the Minister for Finance for having come up with a very well-balanced Budget despite the economic hardships being experienced in this country. At the same time, may I take this opportunity to congratulate Dr. Awiti and Mr. Raila on their appointment as Ministers in the *Nyayo* Government.

*(Applause)*

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! Order! Mr. Sankori, you will have eight minutes to contribute to this debate in the afternoon.

Hon. Members, on that note, the House stands adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.