

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 26th June, 2002

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

NOTICE OF MOTION

LEAVE TO INTRODUCE THE REFUGEE BILL

Mr. Manyara: Mr. Deputy Speaker, Sir, I beg to give Notice of the following Motion:-
THAT, this House do grant leave to introduce a Bill for an Act of Parliament entitled the Refugee Bill to provide for a comprehensive refugee law in Kenya.

ORAL ANSWERS TO QUESTIONS

Question No.249

DESTRUCTION OF CROPS BY HIPPOPOTAMI

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

- (a) whether he is aware that rogue hippopotami along beaches have been destroying crops and killing people without tangible intervention from the Kenya Wildlife Service;
- (b) whether he is further aware that around Wagusu Beach, the rogue beasts have killed two people and maimed others after overturning their boats in the last three months; and,
- (c) what urgent measures he is taking in order to save the people touring and living around the beaches from the dangers posed by the hippos.

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

(a) I am not aware that rogue hippopotami have been destroying crops and killing people. However, all wildlife reported incidences have been attended to.

(b) I am not aware further that the rogue beasts have killed two people and maimed others after overturning their boats in the last three months. As it is, the Kenya Wildlife Service continues to offer services to the community in Bondo District through problem-animal management activities by scaring the animals using animal drives. The hon. Member of Parliament for Bondo is requested to inform his constituents to report any animal menace cases to the nearest Kenya Wildlife Service station and they will be attended to promptly.

(c) To save people from dangers posed by hippopotami, the Kenya Wildlife Service has deployed 22 rangers and coxswain to patrol the area along the beaches. It has also stationed radio and ten back sets, a boat and two vehicles, for use by rangers, all meant for the protection of people along the beaches. The Kenya Wildlife Service has also opened outposts at Impala Park, Siaya, Ndere Island and Bondo to hasten rendering of services to the local people with ease. The hon. Member of Parliament for the area is requested again to inform his constituents to form wildlife management committees who would assist in reporting hippo menace to the Kenya Wildlife Service.

Dr. Oburu: Mr. Deputy Speaker, Sir, I am surprised that the Assistant Minister says that he is not aware that hippopotami have been harassing and maiming people and their animals, and destroying their crops, because even last week at the Yala Swamp, there was a rogue hippopotamus which was harassing people and destroying crops. Game wardens were called and they killed that hippopotamus. There have been very many incidences that I can enumerate.

The Assistant Minister says that he has deployed game rangers along the beaches. Perhaps, he is not aware that the Lake Victoria beaches are very wide, starting from Busia up to Guthurumo in Mihuru Bay, bordering Tanzania. Where specifically are these vehicles stationed? Could he also tell me specifically how many rangers are in Bondo and what facilities the rangers have to deal with the hippopotamus menace which is a very serious problem?

Mr. Samoei: Mr. Deputy Speaker, Sir, as I said earlier, we know there are incidences of wildlife being a menace to the residents along the beaches of Lake Victoria. We appreciate that, there is problem, and that is why the Kenya Wildlife Service has deployed 22 rangers along this beach. These rangers have - in my estimation - what it takes to control these wildlife. The hon. Member has just admitted that in one incident, there was a rogue hippo, and when the Kenya Wildlife personnel were called, they dealt with that menace accordingly. As I said, we have stationed outposts at Impala Park, in Siaya, Ndere Island and Bondo. The personnel we have there are not stationed at a particular place. They are mobile, and so they keep patrolling that beach. To ease this menace, I would request the hon. Member to ask the people living along that beach to make sure that incidences of rogue wildlife are reported promptly so that they can be dealt with accordingly.

Mr. Mwakiringo: Mr. Deputy Speaker, Sir, you can see what havoc KWS animals are causing to communities. One issue the KWS must admit is that they cannot control animals in their designated areas. Will I be in order to ask Dr. Oburu to tell his people to kill these hippos under Sections 30 and 31 of the Kenya Wildlife Management Act, so that they do not cause any more havoc?

Mr. Samoei: Mr. Deputy Speaker, Sir, the Kenya Wildlife Service as a Government Department has what it takes to control these wildlife. The hon. Member for Bondo will admit that as and when incidences of hippo menace have been reported, they have been dealt with. That implies that the menace is within management levels by the Kenya Wildlife Service. I do not think it has reached the stage where members of the public can invoke Sections 30 and 31 of the Kenya Wildlife Management Act.

Dr. Oburu: Mr. Deputy Speaker, Sir, the problem of hippo menace is very serious in Bondo District; to the extent that the DDC has discussed it as a matter of priority. It is only when I complained here last week that four rangers were posted to Bondo where they killed one hippopotamus. Otherwise, KWS personnel of the Luo ethnic group who are posted there fear some of those hippos because they believe that they are used for witchcraft. Therefore, they only scare them instead of killing them. Could the Assistant Minister tell the House what equipment they have given the wildlife personnel in Bondo to deal with this menace which is destroying our crops, maiming our animals and killing our people? I was one time attacked by one when I went to the area after two people were killed.

Mr. Samoei: Mr. Deputy Speaker, Sir, I do appreciate what the hon. Member for Bondo has said. But in response to the issues that he has raised in this House, I took specific action. I want to promise this House that I will enhance the level of the presence of the Kenya Wildlife Service (KWS) personnel to be able to deal with the issues raised by the hon. Member.

Question No.369

APPOINTMENT OF CHIEF FOR KIAMBOGO LOCATION

Mr. Kihara asked the Minister of State, Office of the President:-

- (a) whether he is aware that Kiambogo Location of Gilgil Division in Naivasha Constituency has been without a chief since the beginning of this year; and,
- (b) when the people of Kiambogo will be given a chief to serve them.

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

- (a) I am aware that Kiambogo Location of Gilgil Division in Naivasha Constituency has been without a chief since the beginning of the year.
- (b) The vacancy has been advertised twice and will be filled as soon as a suitable candidate is identified.

Mr. Kihara: Mr. Deputy Speaker, Sir, I am happy with that answer. But I would like to inform the Assistant Minister that, when the advertisement for the post of a chief was carried out for the first time, a young irresponsible man, who was impregnating girls, was identified as a chief, but he was rejected by the people. During this year's Madaraka Day, that young man was seen in a chief's uniform, masquerading as a chief. Could the Assistant Minister assure this House that he will stop that young man from masquerading as a chief since there is a vacancy and he is no longer the chief?

Mr. Samoei: Mr. Deputy Speaker, Sir, since Mr. Kihara agrees with me and my answer, I also agree with him that there was a man who was masquerading as a chief. I have since taken action against him. I must say that Mr. Richard Kipkerio was retired in public interest because of the issues that have been raised by the hon. Member. We are in the process of identifying a suitable candidate.

However, I wish to exonerate young people that, not all of them do what that particular one was doing!

Mr. Deputy Speaker: Are you suggesting that young people cannot be chiefs?

Mr. Kihara: No! They can be chiefs!

Mr. Anyona: Mr. Deputy Speaker, Sir, the problem that has arisen in Naivasha is rampant throughout the country. Right now, I have a number of cases of appointment of chiefs and assistant chiefs who are not acceptable to the public, because of the manner in which they are appointed. Could the Assistant Minister tell the House the routine that is followed in processing the appointment of chiefs and assistant chiefs as a standard procedure, because there is a lot of corruption?

Mr. Samoei: Mr. Deputy Speaker, Sir, chiefs and their assistants are members of the Civil Service. They are employed in accordance with the regulations governing persons serving as public servants. Interviews are normally carried out at the district level, under the chairmanship of district commissioners and district heads of departments. By and large, the process has been very transparent and fair. We cannot rule out minimum cases of abuse of that process. I would also like to take this early opportunity to request Members of Parliament to accept the recommendations that we make sometimes. Most of the time, even Members sitting in this House try to influence the appointment of public servants. Sometimes, their requests are very ridiculous!

Mr. Mwenje: Mr. Deputy Speaker, Sir, I am surprised to hear the Assistant Minister say that they advertise positions for chiefs. Like he has said, the one in question was advertised. I am also surprised to hear him say that they are selected in a fair manner. In Nairobi, chiefs are appointed from the Administration Policemen (APs). It is the APs and KANU youthwingers who are promoted to become chiefs. Could the Assistant Minister tell us why such posts are not advertised in Nairobi? What fair way is he talking about, when they strictly promote APs who have been killing my people in Dandora?

Mr. Samoei: Mr. Deputy Speaker, Sir, I have said, and it is true, that we do advertise positions for chiefs and their assistants. It is also true that, some of the time, we do employ APs and members of the KANU Youth League. That is because in the regulations governing the appointment of chiefs and their assistants, it does not bar KANU members or APs from applying for those jobs.

Mr. Kihara: Mr. Deputy Speaker, Sir, I am a firm believer that certain jobs, such as those of chiefs, ambassadors and presidents are better performed by elderly people. I would like to appeal to the Assistant Minister to reinstate the former chief by the name of Mr. Richard Kipkerio, who was popular, mature and was performing his duties very well, instead of advertising and recruiting for us young people who will misbehave in that position!

Mr. Samoei: Mr. Deputy Speaker, Sir, as a Government, we will endeavour not to discriminate against anybody on grounds of age or other considerations. The Constitution of this country---

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister on the Floor has been severally heard by Kenyans all over the country criticise Mr. Kibaki not to become the President. He is telling this House that he is not going to discriminate anybody! Is he in order to mislead this House when he has been discriminating against Mr. Kibaki?

Mr. Deputy Speaker: Order, Mr. Wanjala! Which Standing Order bars him from talking about age? Proceed, Mr. Samoei!

Mr. Samoei: Mr. Deputy Speaker, Sir, indeed, I have been on record as saying that it is time young people took up positions of responsibility. I am on record as having said that and I am not about to back down. However, as a Government, there is an age limit which has been set by the Constitution, including what Mr. Kihara has given; that is for ambassadors and presidents. The age limit for the president is 35 years. So, I am well within my constitutional rights to say that young people should take up positions of responsibility, including that one of the president.

As for the chief, I have said that we have advertised for the position and we shall get the correct candidate for that position. We are not going to discriminate against the young people because they serve as chiefs and assistant chiefs very well.

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

Question No.254

PAYMENT OF INTEREST TO TB HOLDERS

Mr. Kihoro asked the Minister for Finance:-

- (a) who the 30 largest holders of Treasury Bills were against the Government during the 2000/2001 Budget year and what was owed to each during the period;
- (b) what interest was paid to each creditor during the period; and,
- (c) what the total interest that was paid to creditors during 2000/2001 financial year, in respect of both the local and external debt was.

The Assistant Minister for Finance and Planning (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir, I beg to

reply.

(a) I am unable to provide specific names of the top 30 holders of Treasury Bills against the Government during the year 2000/2001 Budget year and the amount owed to each during the period since the consent of the parties involved is required as supported by Section 17(1) of the Central Bank of Kenya Act, Cap.491 of the Laws of Kenya which, for the information of Members, stipulates as follows:-

"Except for the purpose of the performance of his duties or the exercise of his powers, the Governor, the Deputy Governor, or any director or any other employee of the Bank shall not disclose any information which he has acquired in the course of his duties or the exercise of his powers."

However, the largest holders of Treasury Bills as per investor category during the period 2000/2001 are as shown below:-

Category	Holdings Kshs (m)
(i) Central Bank (REPO)	21,100.00
(ii) Commercial Banks	46,787.00
(iii) Non-Bank financial institutions	5,889.00
(iv) Government institutions	7,723.75
(v) Co-operatives	650.45
(vi) Trust Companies	19,428.80
(vii) Insurance Companies	14,153.30
(viii) Other Companies	17,974.15
(ix) Individuals	3,833.30
Total	137,540.05

(b) The total interest paid as per the above investor category during the subject period amounted to Kshs13,252.34 million as hereunder:-

Category	Interest Paid Kshs (m)
(i) Central Bank (REPO)	-
(ii) Commercial Banks	5,324.97
(iii) Non-Bank financial institutions	670.25
(iv) Non-Bank financial institutions	879.06
(v) Co-operatives	74.03
(vi) Trust Companies	2,211.24
(vii) Insurance Companies	1,610.82
(viii) Other Companies	2,045.68
(ix) Individuals	436.28
Total	13,252.34

(c) The total interest paid to the local creditors during the 2000/2001 financial year amounted to Kshs18,885.79 million broken down as follows:-

	Kshs (m)
(a) Treasury Bills -	13,997.26
(b) Treasury Bonds -	4,657.34
(c) Government Stock -	231.19
Total	18,885.79

(ii) The total interest paid to creditors during the financial year 2000/2001 in respect of the external debt amounted to Kshs4.074 billion.

Mr. Kihoro: Mr. Deputy Speaker, Sir, my understanding of the answer that has been given by the hon. Assistant Minister is that he is not going to disclose the 30 largest holders of Treasury Bills in this country when the Government is paying so much to the 30 holders of the Treasury Bills. Could it be that he does not want to disclose them because some of these people are involved in insider-dealings in that some of them are involved in deciding what interest will be paid and, therefore, he does not want to disclose who actually these people are? Is that the reason why he does not want to disclose their names?

Mr. Arap-Kirui: Mr. Deputy Speaker, Sir, I think I clearly stated the law and my hands are tied.

Mr. Anyona: Mr. Deputy Speaker, Sir, I am sure you will remember that this matter has come up in this House many times before, as to whether the National Assembly of the Republic of Kenya could have made a law that would tie its hands to the extent that it cannot access information from public officers under a law made by Parliament. I think in the past the ruling was that the Ministry of Finance and the Central Bank should look at the Act again and, if, indeed, that is the meaning, then they should bring an amendment. What have they done about that?

Mr. Arap-Kirui: Mr. Deputy Speaker, Sir, I think we all need to accept that the law as it stands, protects the privacy of individuals in this country and we know that financial matters are very private indeed. I would hate to suggest that anyone who invests in Government papers is committing a crime.

Mr. Sambu: Mr. Deputy Speaker, Sir, the House goes by a precedent which, if accepted by the Speaker, becomes a precedent and is always followed. You do remember that the then Minister for Finance was forced here to reveal the names of those who owed money to National Bank of Kenya. A list was published and tabled here. The precedent was set. That law does not talk about disclosure of those who have invested money with the Central Bank in the form of Treasury Bills or Treasury Bonds. Is the Assistant Minister in order to mislead the House when a precedent has been set and accepted by the Speaker and the House?

Mr. Deputy Speaker: Order, hon. Members! If you read this Question, it asks: "Who were the 30 largest holders of Treasury Bills?" Look at the answer and if you identify the commercial banks, individuals, non-banking financial institutions, Government institutions and co-operatives, you have already passed the first 30 institutions. You will get more than 30. Are you interested in whether the Pension Fund of Central Bank has put in so much money? You are more interested in individuals, but your Question does not reflect that.

Mr. Kihoro: Mr. Deputy Speaker, Sir, the truth about this matter is that this country is paying close to Kshs40 billion in interest payments per year and Kenyans who pay that money would want to know actually to whom it is going. The Assistant Minister has admitted that, to the 30 largest institutions, the Government is already paying Kshs4.074 billion but overall if you look at the Budget we are already debating, the Government is paying close to Kshs40 billion in interest payments. That is the debate that has been going on in this House. What is the Assistant Minister going to do to make sure that he removes this opaqueness in Government where it pays so much money to individuals and it does not want the people of this country to know?

(Applause)

Mr. Arap-Kirui: Mr. Deputy Speaker, Sir, I think the hon. Member has got the facts and he is aware of the process of bidding for Government paper. We normally take the lowest bid in terms of interest expected and it is done on a weekly basis. This is how these figures have been accumulated. There are no behind-the-door or other deals. This is done openly. But once an individual has accumulated whatever balance through that system, I think that is a private matter.

Mr. Imanyara: On a point of order, Mr. Deputy Speaker, Sir. My point of order arises out of the issue raised by Mr. Sambu. Notwithstanding the provisions that have been cited by the Assistant Minister, that are contained in the Central Bank of Kenya Act, and in the Banking Act in relation to the other banks, a precedent has been established in this House where full disclosure has been made notwithstanding the existence of this provision by the same Government. In those circumstances, has there not been a waiver? If there has been a waiver, is it in order for the Assistant Minister to cite the law which they themselves have on a previous occasion waived so that they can get the House cheated?

Mr. Arap-Kirui: Mr. Deputy Speaker, Sir, the fact that the Government at one time broke the law does not, in my view, set a precedent.

Mr. Deputy Speaker: Order! Order! Several precedents were set because, in respect of the Kenya Commercial Bank, the Minister refused to disclose the list. So, really, this is a matter that we must attend to. Does Parliament have limitations on what information it can acquire or not?

I think the best option is, perhaps, to bring a Motion for this to be discussed in camera.

Mr. Twaha: Mr. Deputy Speaker, Sir, one of the functions of the Governor of the Central Bank of Kenya is to regulate commercial banks. Now, the Governor has security of tenure. The Minister is protecting him when he is already protected by the law from divulging information which he comes across in the course of his duties. So, who is regulating the Governor of the Central Bank of Kenya? Is it the Minister?

Mr. Deputy Speaker: Order! Order! The fact that he has security of tenure does not exempt him from other laws.

Mr. Twaha: But he is not divulging information to this House. He is protected by the law.

Mr. Deputy Speaker: Order! Order! That is what the law says. I have said that if Members wish to discuss this issue, they may have to go into camera. I have no problem with that, but for the time being, the Assistant Minister is quite right in giving that answer.

Mr. Sambu: Let us go into camera!

(Laughter)

Mr. Deputy Speaker: Next Question, Dr. Kituyi!

Question No.258

SUPPLY OF TEXTBOOKS TO SCHOOLS
IN TONGAREN

Mr. Deputy Speaker: Dr. Kituyi is out of the country, so his Question is deferred.

(Question deferred)

Next Question, Mr. Katuku!

Question No.285

ELECTRICITY SUPPLY TO MWALA SCHOOLS

Mr. Katuku asked the Minister for Energy:-

- (a) when he will supply electricity to Katheka Market and all secondary and primary schools in Vyula Location in Mwala Constituency; and,
- (b) what the cost will be.

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

(a) Supply of electricity in the country, under the Rural Electrification Programme, is programmed on the basis of DDC recommendations and priority ranking, coupled with availability of funds. The current Machakos DDC project priority ranking is as follows:-

- (i) Wamunyu-Kambiti-Kaitha-Wakaela
- (ii) Mbiuni-Kyawa Coffee Factory
- (iii) Kimutwa-Kalama
- (iv) Matuu-Ekalakala
- (v) Tala-Matheini.

Based on the above priority ranking and with the current serious financial constraints the Ministry is facing on the implementation of the programme, it is not possible to indicate when Katheka Market and all secondary and primary schools in Vyula Location in Mwala Constituency will be supplied with electricity.

- (b) The budgetary cost of supplying Katheka Market is Kshs6.5 million.

Mr. Katuku: Thank you, Mr. Deputy Speaker, Sir. The Assistant Minister has said the amount of money required to supply this area with electricity is only Kshs6.5 million. The truth is that the area has a line which passes through and this area was left out when the power was being supplied to that given area. The Kenya Power and Lighting Company (KPLC) collected money from the residents of Masii and Vyula locations. I would want to table some receipts from the KPLC. The money was paid back in 1987. That is almost 15 years ago and no service has been given. Could the Assistant Minister tell this House why he is hiding behind the DDC and yet, the project has been put in place? They have collected money from the people and they have not given them the service.

Mr. Sasura: Mr. Deputy Speaker, Sir, it is not true that the project has been in place as clearly indicated by the Question because power has not been supplied. With regard to the payment made by the residents of Masii, it is true I have a receipt in my possession which the hon. Member wants to table, that a payment of Kshs500 was made by one Mr. Kamandi Kitungu in 1987. This payment is normally done when these projects are costed and the KPLC writes back to the applicants to give them the quotation of the cost estimates of the project. The amount of Kshs500 is not the cost of supplying power to any market. It is part of the cost of the project.

Mr. Kitonga: Mr. Deputy Speaker, Sir, I strongly believe that this Government is practising robbery without

violence. In my constituency, Mutitu, at a place called Kyuluni, which is about seven kilometres from Kitui Town, the KPLC collected Kshs287,000 in 1990. Up to date, Kyuluni has not been provided with electricity. Will the people be supplied with electricity or will the money be refunded to the people of Kyuluni with interest?

Mr. Sasura: Mr. Deputy Speaker, Sir, this Kshs200,000 that was paid by the people of that area is very likely the 10 per cent payment after the cost has been done. If they have paid Kshs200,000, then the cost of the project must be about Kshs2 million. Unless they pay the remaining balance, it will be difficult to connect them with power with the 10 per cent downpayment.

Mr. Murungi: Mr. Deputy Speaker, Sir, rural electrification is a big issue in this country. It is true that various communities all over Kenya have contributed what the Assistant Minister calls 10 per cent downpayment under the pretext that the 90 per cent will be availed so that the project can be completed. In Meru District alone, I am aware of more than Kshs5 million having been collected only in my constituency and nothing is happening. The Minister himself, Mr. Raila, once told us that he is waiting for a Chinese company which will assist in the provision of electricity because the KPLC does not have the capacity. Could the Assistant Minister tell us when this company is coming? Could he also tell us whether this money, which they have been collecting over the years, will attract any interest and be repaid back if the Government cannot provide electricity to the people instead of robbing them?

Mr. Sasura: Mr. Deputy Speaker, Sir, there is this misconception that once this money is paid, the people expect power to be connected to them. When these projects are costed, the KPLC send their staff. For example, if the costing was to be done in a place like Marsabit, they send their staff down to the field to do the survey and come to the office to do the design work. All this costs money. This is the cost that the client is asked to pay. After that, they are expected to pay the actual cost of the project. But most Kenyans pay the downpayment and wait for power. Surely, power will not come with the downpayment.

Secondly, with regard to the refund of the downpayment, if the client feels that he cannot top up to fill the project cost and wants his money refunded, the KPLC will refund the money on production of the original receipts, minus the cost of the survey and the design work.

Mr. Sambu: Mr. Deputy Speaker, Sir, every power consumer in this country pays the KPLC 5 per cent on top of their electricity bill. That money is channelled to the Ministry of Energy. Could the Assistant Minister tell the House how much of that money is collected each year and how it has been distributed to the constituencies? Further, could the KPLC allow individuals to instal their own transformers? This is because they have set a precedent in my constituency whereby somebody with good political connections, who works for the KPLC, has bought his own transformer and connected it to the KPLC line, which in turn is connected to the repeater station.

Mr. Sasura: Mr. Deputy Speaker, Sir, to be very honest, it would be difficult for me to say how much money we have collected under the REP on the 5 per cent levy. Right now---

Mr. Deputy Speaker: Order! It should not be difficult. Just say you do not have that information!

Mr. Sasura: That is why I am saying that right now I do not have that information on the total amount of money collected. On the question of individual application, an individual can apply to the KPLC for power connection. If the KPLC does the costing, they will include the cost of the transformer if necessary. If the individual can afford to buy the transformer no one can prevent him from buying it.

Mr. Katuku: Mr. Deputy Speaker, Sir, let us go back again to Mwala after going to all those other constituencies. I said that my constituents paid this money 15 years ago, but they were not provided with this service. The figure that is required for this operation is Kshs6 million. Now that we are discussing the Budget Speech, and we will soon discuss Supplementary Estimates, could the Assistant Minister consider including that amount in the Supplementary Estimates so that these people can be provided with electricity because the KPLC has been keeping their money for the last 15 years and it has now earned interest? If you do not know where you will get the money, and since you have too many Ministers in that Ministry, could you sack one Minister from that Ministry so that you can get the money to provide my people with electricity?

Mr. Sasura: Mr. Deputy Speaker, Sir, this Government has no reason to take Kshs500 from any Kenyan. Over the last five years the Government spent Kshs100.777 million for electricity supply in Machakos District alone. Out of that amount 33.8 per cent went to Mwala Constituency and I think Mr. Katuku should be grateful for that. If we can give you those millions we cannot rob you of Kshs500. I am afraid I cannot commit myself at this juncture to say that we will supply power to the market we are talking about when the DDC has not even prioritised for you. I think you should fight for your case in the DDC and then send it to our Ministry.

Mr. Deputy Speaker: Next Question!

IMPLEMENTATION OF AFFORESTATION
PROGRAMME

Mr. Wanjala asked the Minister for Environment:-

- (a) whether he is aware that Namanya, Mwitafuru, Munjogo, Wanga and Njalagobe hills in Budalang'i Constituency are Government gazetted hills;
- (b) if he is further aware that Lake Victoria Environmental Management Programme has a component of afforestation to undertake in its area of jurisdiction;
- (c) what urgent measures he is taking to ensure that trees are planted on the said hills which are now bare; and,
- (d) how much was allocated for the component of afforestation in the programme.

Mr. Deputy Speaker: Is the Minister for Environment not here? We will come back to that Question later.
Next Question!

Question No.368

RECONSTRUCTION OF RIVER NZOIA BRIDGE

Mr. Wanjala: Mr. Deputy Speaker, Sir, the Question by the Member for Ugenya also affects me. It is unfortunate that he is absent. I would like to ask the Question on his behalf.

Mr. Deputy Speaker: Order, Mr. Wanjala! You advised me that Mr. Orengo had telephoned you and asked you to ask this Question on his behalf. Now you are saying something different!

Mr. Wanjala: That is what I am saying!

Mr. Deputy Speaker: Sorry, I will come back to that Question when Mr. Orengo is in the House.
Next Question!

Question No.362

DISAPPEARANCE OF MR. JUSTUS RAGWA

Capt. Ntwiga asked the Minister for Medical Services:-

- (a) whether he is aware that a Health Officer, Mr. Justus Kangi Ragwa, P/No.139140, ID/No.0588679/63, was admitted at Mathare Mental Hospital in December, 1993 and that he disappeared from the hospital the same month;
- (b) whether he is further aware that he has not been traced since then, and;
- (c) what action he is taking to compensate his next of kin.

The Assistant Minister for Health (Dr. Wako): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) I am aware that Mr. Justus Kangi Ragwa disappeared from Mathare Mental Hospital in December, 1993.
- (b) I am aware that he has not been found since then.
- (c) The Ministry has processed and submitted to the Treasury the death gratuity documents for payment.

Capt. Ntwiga: Mr. Deputy Speaker, Sir, can the Assistant Minister tell us the amount of gratuity which he has calculated and when this payment will be done so that the Treasury can compensate this presumed dead person?

Dr. Wako: Mr. Deputy Speaker, Sir, the amount is approximately Kshs281,865 minus the liability of Kshs59,900, totalling to Kshs221,965. Thereafter, the widow will be receiving Kshs3,500 per month for five years.

Mr. Imanyara: Mr. Deputy Speaker, Sir, could we be told on what basis the Assistant Minister decided to prepare this payment? Have the provisions of the law regarding presumption of death been followed before this was done? On what basis did you determine that you will be processing gratuity for a dead person before you have established that, that person is dead?

Dr. Wako: Mr. Deputy Speaker, Sir, we have taken the law into account. The disappearance of Mr. Ragwa was reported to the police and the Ministry actually advertised this disappearance in the Press on 2nd March, 1994, but this was all unsuccessful. After seven years it is assumed that a missing person is dead, as per the law. That is why we started processing the benefits.

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, could the Assistant Minister explain the circumstances under which this gentleman disappeared because we have all along assumed that Mathare Mental Hospital was a safe place?

Dr. Wako: Mr. Deputy Speaker, Sir, Mr. Ragwa was admitted to the hospital on 26th December, 1993, under

in-patient No.4330. It appears that the patient disappeared between the in-patient ward and the outpatient ward on the same day. Under normal circumstances, there have never been any cases of disappearance of mental patients from the ward.

Capt. Ntwiga: Mr. Deputy Speaker, Sir, I had asked the Assistant Minister when he will process this payment, when it will be due and whether that amount is sufficient compensation for a missing person who is presumed dead. Is Kshs200,000 sufficient payment as compensation for someone who was formerly a member of your staff?

Dr. Wako: Mr. Deputy Speaker, Sir, this was forwarded to the Treasury on 8th May, 2002, and the amount is calculated on the normal salary and the number of years as usual. We arrived at the amount of Kshs281,865.

Mr. Deputy Speaker: Mr. Wanjala's Question for the second time?

Question No.364

IMPLEMENTATION OF AFFORESTATION PROGRAMME

Mr. Wanjala asked the Minister for Environment:-

- (a) whether he is aware that Namonya, Mwitafuru, Munjogo, Wanga and Njalagobe hills in Budalang'i Constituency are Government gazetted hills,
- (b) if he is further aware that Lake Victoria Environmental Management Programme has a component of afforestation to undertake in its area of jurisdiction?
- (c) what urgent measures he is taking to ensure that trees are planted on the said hills which are now bare; and,
- (d) how much was allocated for the component of afforestation in the programme.

Mr. Deputy Speaker: Is the Minister for Environment here? I will defer that Question to Tuesday next week.

(Question deferred)

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir. As you are aware, the Minister came out publicly and said that he is so tired that he does not want this House to be extended. That is why he is deliberately failing to come to the House.

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

Mr. Wanjala: And yet he is a nominated MP!

Mr. Deputy Speaker: What is your point of order!

Mr. Wanjala: Mr. Deputy Speaker, Sir, can you now---

Mr. Deputy Speaker: Order, hon. Members! As you know, on an Allotted Day, we must proceed to the next Order by latest 3.30 p.m. Really, if you want to be frivolous---

Mr. Wanjala: Mr. Deputy Speaker, Sir---(inaudible).

Mr. Deputy Speaker: Order, Mr. Wanjala! Might I suggest that you go and do that in the Bar?
Next Question!

Question No.368

RECONSTRUCTION OF RIVER NZOIA BRIDGE

Mr. Deputy Speaker: Mr. Orenge is not here. His Question is dropped.

Mr. Wanjala: Mr. Deputy Speaker, Sir---(inaudible).

Mr. Deputy Speaker: Sorry! The Question is dropped!

(Question dropped)

QUESTION BY PRIVATE NOTICE

UTILIZATION OF NATIONAL DISASTER FUND

Mr. Murungi: Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

(a) What is the correct amount held by the Government in the National Disaster Fund?

(b) How much has the Government utilised from this Fund to assist the victims of the fatal landslides in Giumpu Village, Abogeta Division in South Imenti Constituency?

(c) What plans does the Minister have for resettling the persons whose homes, land and property was destroyed by the landslides?

The Assistant Minister, Office of the President (Mr. Moroto): Mr. Deputy Speaker, Sir, I would like to ask that the Question be deferred until tomorrow since there are no answers around.

Hon. Members: Why!

Mr. Murungi: Mr. Deputy Speaker, Sir, the Assistant Minister has not made any case for this House to consider deferring the Question to tomorrow. He merely said that "the answer is not around." This is a Question by Private Notice. The Question was filed with the Clerk more than three weeks ago. Could he explain why the answer is not ready and we are talking about a disaster?

The Assistant Minister, Office of the President (Mr. Moroto): Mr. Deputy Speaker, Sir, the Question will be answered tomorrow.

(Laughter)

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

Mr. Deputy Speaker: Order, hon. Members! Since there is no answer, there cannot be supplementary questions. Mr. Murungi, is tomorrow fine with you?

Mr. Murungi: Yes, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: The Question is deferred to tomorrow!

Mr. Murungi: Mr. Deputy Speaker, Sir, in any case, you were supposed to make that ruling and not the Assistant Minister--

Mr. Deputy Speaker: Order! The Question has been deferred. So, there is no issue arising from it. Mr. Moroto, the Question should be answered tomorrow afternoon. End of Question Time.

(Question deferred)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

(The Minister for Finance on 13.6.2002)

*(Resumption of Debate interrupted on
26.6.2002 - Morning Sitting)*

(Sixth Day of Budget Debate)

Mr. Deputy Speaker: Dr. Ali, you were on the Floor! You still have three minutes!

Dr. Ali: Mr. Deputy Speaker, Sir, I wish to continue from where I had left in the morning; the Ministry of Agriculture and Rural Development. Where I come from, we do not practise a lot of agriculture, but usually we have a livestock market which has not been in place for a very long time. The Government has not addressed itself to this issue.

The Minister said in the Budget Speech that he was going to allocate some money to KMC. But, unfortunately, KMC does not have anywhere where it can keep its livestock, if at all livestock is brought from the areas where people rear them. All the parcels of land in Athi River where people used to keep their animals have been grabbed. There is horticultural farming going on there.

So, I will request the Minister to consider apportioning areas like Isiolo or Garissa which have enough water as abattoirs; animals from northern Kenya are slaughtered in those areas and then transported to KMC. If that is done, we will be happy all round.

Regarding relief food which is distributed to people in the northern part of Kenya, I would like to say that it does not assist anybody. It is wasting our time; it is making everybody lazy. I wish the relief food is converted to money which can be used for other purposes; to assist the people of those areas. That is the only way it can be helpful. Otherwise, it is very bad when you are being fed with something which is not even nutritious enough - dry maize. Some of the maize which has been brought from the European Union (EU) countries has been in stock for a very long time, and it is causing diseases. Most of the people in northern Kenya are now getting CA(?) of the cancer of the oesophagus and liver cancer. This one is caused by some fungus which grows in this maize which has been in stock for a very long time.

(Loud consultations)

Mr. Deputy Speaker, Sir, could you please protect me from these hon. Members who are consulting loudly? I cannot even hear what I am saying. I am of the opinion that we should not be given that maize because it is killing our people more than helping them. This is because we have increased the number of incidences of people with CA oesophagus and CA of the liver. It is increasing by the day. We did not have these cases before. So, if this maize is converted to money, then, we would have some better use for it.

I would also request the Minister for Agriculture to assist the people in northern Kenya - using the special funds that they get for farming - to go into cotton farming. We have been told that cotton farming is doing very well in this country because of the AGOA programme. It has a lot of money. We wish people in northern Kenya are introduced to cotton farming. We can grow it and benefit from the AGOA programme. I am sure cotton can grow there and it can do very well.

Last but not least, I would like to talk about the constitutional review process. We have put a lot of money in this process - over Kshs4 billion. Several billions of shillings are going into it. There is a lot of hue and cry all over the country over the process. I think we are not prepared to go to elections without a new Constitution.

I beg to support.

Mr. Anyona: Mr. Deputy Speaker, Sir, during my contribution to the Vote on Account, I did commend the Minister and the Government for breaking away from the old tradition which has crippled the economy of this country and even the political system because of over-dependency on donor funding. This must not be seen as a convenient decision by the Government, merely because we did not receive funding from the donors. It must be a principled and a deliberate decision of this country to stand on its own feet.

When we fought for Independence, we knew that we were going to stand on our own feet. For a long time, the so-called donors were reluctant until the Cold War set in. Then, they started coming closer to us, and they made us so dependent on them that when they turned their backs on us, we found ourselves in an extremely difficult position. After 40 years of Independence, if the country is not able to, a large extent, depend on its own resources, then, there is something wrong with that type of Independence.

In any case, regarding the donor funding that we have been receiving in this country, how much has it been? Peanuts; a drop in the ocean! A large part of our development has been our own efforts and our own national resources. It is high time we either continued being dependent or earn our national resources. I think we tend to over-emphasize the deficit side of our endowment, but I think we do have these resources and we should from now on develop and depend on them.

When the concept of self-reliance was introduced in the newly emerging independent countries, when people like the late Julius Nyerere started saying that we must be self-reliant and we cannot rely on foreigners - even Mzee Kenyatta himself said that "we got to do it ourselves" - that concept was killed. Now, we have nowhere to go.

So, Mr. Minister, let us come back on track. Let us be self-reliant and cut our attire according to the cloth that we have. Let us tell our people the truth and carry on from there because, at least, we shall have national morale and national solidarity to be able to go through these upheavals of the current world atmosphere. If that is going to be the case, then, clearly the Ministry of Finance and Planning, and the Government, will have to adopt a different style of management.

I have heard speeches in this House, even during this Budget Debate, which talk of self-pity; that, we are in a bad state, and Uganda and Tanzania are doing better. I really do not even know why we want to compare ourselves with Uganda and Tanzania. We should compare ourselves with ourselves. In any case, how can an independent country feel proud when 52 per cent of its national Budget is comes from foreign funding?

(Applause)

Sometimes, we are told of higher economic growth rates elsewhere. That is not realistic. Let us deal with our economic growth rate. Every time I go to Arusha and buy a copy of the *Daily Nation* or the *East African Standard*, I pay Tshs700, while here I pay Kshs35. In Uganda, a copy of the *Daily Nation* or the *East African Standard* costs Ushs800. Really, I am unable to tell how one can tell me that the economies of these two countries are stronger than ours, and yet their currencies are weak. But as I have said, let us not compare ourselves with other people. Let us compare ourselves with ourselves.

Mr. Deputy Speaker, Sir, as I have said, the Ministry will have to adopt a different style of management of the available resources. There should be efficient management of the resources. The Minister will have to fight against corruption more than ever before. What really made us corrupt is foreign money, which is not there any more. So, let us make sure that there is no corruption in our system.

Deliberate mismanagement of our resources is an enemy of this nation, and this Government should fight it now because that is the only way this Budget can succeed. I would like to point out that the people who have been entrusted with the responsibility of implementing the Budget will have to make sure that, that is done. I was reading the conclusion of the Minister's Budget Speech and he said: "If we discipline ourselves, as a country, we shall be able to succeed." So, I would like to ask him to introduce a different style of discipline in the management of our economy.

All these figures and policies are good, but will he implement them? As I said the other day, the Minister will have to make sure, and he is putting his reputation at stake here, that he will do it in a new way and succeed. He will have to make sure that the Treasury releases funds immediately. The Minister will also have to make sure that his fellow Ministers release their funds. As I said the other day, the problem lies on the ground. I do not know whether he will release the money to the district treasuries, or whether he has got a new system in place, where the money goes to the core Ministries, as he calls them, for implementation of programmes and projects. The Minister will also have to make sure that the officers who are on the ground understand this and implement programmes. But Kenyans, as I know them, take a long time to wake up. The Minister will have to make sure that there is monitoring and constant review of these proposals to ensure that this Budget succeeds.

The Minister made some specific provisions in the Budget. He talked about privatization in the Budget. This is something we have talked about for a long time. We have been privatising in a vacuum. We are really at a loss and do not know whether we have done well or not. That is the reason why we keep on talking about the case of Kenya Airways and Uchumi Supermarkets. But we do not know whether we are doing well or not because we do not have a framework within which we are doing privatisation. This time round, the Minister has promised to bring a Bill on privatisation before this House. Please, let us have that Bill and be guided by it, so that we can know where the process works well. Where it does not work well, we can make the changes we require.

The Minister has come up with certain tax incentives in the manufacturing sector, building and construction sector and in the agricultural sector. There is no point of coming up with those incentives if they do not take effect. So, the Minister should find a way of mobilising the manufacturers, the farmers and the constructors so that we can get good results at the end. That is the only way this economy will grow.

When you have a sector like agriculture, where there are constant crises in the tea, coffee, sugar and cotton industries--- Right now, we have a very serious crisis in the tea industry in Kisii. Where will the economic growth come from if nothing is happening? We will have to deal with those issues. The Minister, in his Budget Speech, abolished the Transport and Licensing Board (TLB) fees, which may be a good thing. But if, as a Government, you will not structure the transport industry; if you will not solve the chaos in the *matatu* industry--- *Matatu* is a vibrant industry which is ruined by the usual careless Kenyan conduct. What will the Minister do to this industry? Will he do something to ensure that *matatus* become a respectable mode of transport? After all, Uganda and Tanzania copied from us, and they are running the industry very well.

Mr. Deputy Speaker, Sir, I beg to support.

The Minister of State, Office of the President (Mr. J. Nyagah): Thank you, Mr. Deputy Speaker, Sir. I would like to start my contribution by thanking my colleague for preparing this year's Budget under very difficult circumstances. I would also like to thank him because, for the first time, he has been realistic. The Minister knew that he would not get funds from external sources, and he proceeded to produce a Budget which is dependent on local resources. I hope this is the beginning of what we should be doing. I also hope that next year, and the years to come, we will produce Budgets from which external resources will be excluded. I think that we can prove to the world that we can make it. But we also realise that one of these days, we will need resources from external sources. But for now, we should prove that we can survive on our own. This will force us to be disciplined. Many countries which have developed their industrial bases in the past, such as South Africa and Zimbabwe, had crises. If foregoing external aid now is the price we have to pay so that in future we can have a Budget which has external resources in order to allow

for future expansion of our facilities, so be it. So, I would like to thank the Minister for coming up with this kind of Budget.

Mr. Deputy Speaker, Sir, a very important aspect of what the Minister has done is the performance of the public sector or the Civil Service. We have had serious problems with the ability of our Civil Service to deliver in the past. So, whereas the Minister might have done a good job in preparing the Budget, the Civil Service has to be restructured or reformed so that it can be focused. The present management systems call for an important role to be played by the private sector. The present management system calls for the public sector to behave in a manner that is unlike what happens in the private sector, in terms of expectations. We have done many things in the last few years, from restructuring Ministries to retrenching civil servants. These are strategies which have been introduced to improve performance. All these strategies have been aimed at the public sector delivering services to wananchi in the best way possible.

Mr. Deputy Speaker, Sir, I would like to thank the Minister for allocating resources to us in the past, and he has continued to do so with the aim of making the Public Service more efficient and effective, so that the consumer, namely the Kenyan public, get better services from it.

The donor funding for, particularly, post-graduate education in this country has gone down, and our universities have not come up with programmes to fund Kenyans for masters and doctorate degrees. I would, therefore, appeal to the Minister to allocate more funds to the Office of the President in the next quarter, so that Kenyans can get more advanced training. A gap is developing already in the Public Service. We have not set aside sufficient funds for post-graduate education and, therefore, we are foreseeing a situation where we will not have people to do the sophisticated work that the public sector requires.

I would also like to thank the Minister because he has made a provision in the Budget, which will help us to recruit people in critical areas in the Public Service. There are areas which are critical for the development of a nation and he has set aside some money for this. I hope one of these days, we will get enough money for this recruitment. We have not employed people for the last several years in the public sector. A gap is developing and in a few years' time, everybody will be 55 years old and there will be no incoming young people to take over their jobs. Education is a critical area of this country. We in the rural areas know poverty. We appreciate greatly the money the Minister has set aside for the development of our primary schools. Primary schools in our districts, which benefitted from the initial Primary Schools Books Support Programme, have seen an increase in the Standard One enrolment. To some extent, parents do not have to spend all their money in buying books. The Minister should work on that programme and expand it, so that it covers even secondary schools. I know that the Minister has set aside a substantial amount of money for this programme, but it is not enough. He should look for more money and work with more donors so that they can support that programme and have it expanded to our secondary schools in future.

Rural electrification is an important area in the development of a country. I come from a constituency with five hydro-electric dams, but has no electricity. I hope that people from areas that look after national resources, as is the case in my area, will be allocated more resources in future. For example, my constituency should be given electricity in recognition of the role that we play by looking after the five hydro-electric dams on behalf of Kenyans. Similarly, people who live near the forests should be given certain priorities because they look after the forests on behalf of the nation.

The Kenya Roads Board (KRB) has been given certain powers. I know what is going on with the KRB. It is being restructured in order for it to be more effective and deliver services to our people. I notice that the money that comes from the fuel levy goes only to the maintenance and repair of roads. It does not allow the KRB, for example, to tarmack new roads. We should find a way for the KRB to be authorised to tarmack new roads because the mandate it has today is too narrow, and only talks of repairs and maintenance of roads. I know that my colleague, the Minister for Roads and Public Works, is totally unable to tarmack new roads because the mandate of the KRB does not allow him to do so.

Mr. Deputy Speaker, Sir, I would like to thank the Minister for what he has done for the cotton industry. I come from a cotton-growing zone. When I was growing up, cotton was the cash crop that I knew. What the Minister has done to encourage the growth of the cotton industry is greatly appreciated. We hope that he will work closely with the Minister for Agriculture and allocate enough resources to the Ministry, so that the Minister can provide seeds to the farmers. What the Minister has done so far affects ginneries and the cotton processing factories. We are asking him to work closely with the Minister for Agriculture and give farmers the necessary inputs such as chemicals and, through the Kenya Agricultural Research Institute (KARI), find the appropriate seeds to give to our farmers. These should be the high-yielding seeds that have been developed by KARI.

I am happy to see that more resources have been allocated to the Local Authorities Transfer Fund (LATF). As the country decentralises, LATF should be supported. We should continue to put more resources in the LATF so that our people at the grassroot level can feel the positive effects of the Government's performance.

Finally, I want to touch on the Value Added Tax (VAT) which has been proposed to be imposed on bread. I want to appeal to the Minister, for the sake of the millions of Kenyans who depend on bread, to reconsider reducing the VAT on bread. I hope he will consider this appeal for the sake of Kenyans.

With those few remarks, I beg to support.

Mr. Kibaki: Thank you, Mr. Deputy Speaker, Sir. I know that the Minister has struggled during difficult times to prepare this Budget. But there are things which really should never be done. In this nation, as you know, fuel wood has become very expensive, and many people have turned to the use of kerosene as a source of energy. These are the poorest people in the economy. Even if the Minister must tax someone, must he look for the poorest person to tax? There is a point of principle in taxation; you must tax the people with an income. I am sure that the Minister will find out that he has made a mistake by imposing VAT on kerosene because the effect of raising the price of kerosene will be to reduce its consumption and, perhaps, it will make the poor people more miserable. That should be reconsidered.

The VAT which has been imposed on the price of bread is terrible. Even if the Minister will raise Kshs1 billion through this tax, can he imagine how many children will go to school without eating anything in the morning? Can he imagine what will happen to workers on a construction site, who only take tea and bread? Honestly, the Minister will make it impossible for these workers to have tea and bread because bread will be very expensive. Many people who trade in bread are already considering what to do because, as of now, they cannot raise the price of bread. So, many of them are only waiting to sell the existing stock and you will see the crisis that will be there in the market. This is a reality. The absence of income at that level is a reality. Whoever designed this VAT increase on bread must have had an evil mind.

[Mr. Deputy Speaker left the Chair]

[The Temporary Deputy Speaker

(Mr. Imanyara) took the Chair]

Mr. Temporary Deputy Speaker, Sir, whoever designed this must have had an ordinary, crude mind. Honestly, you cannot imagine that of all the taxable items, we want to tax bread. Most of our people who have no other sources of income live on bread and a bit of tea. In all the years we have been Independent, since 1963, we have never levied any tax on bread. I know that the Minister will raise Kshs1 billion by taxing bread, but that is unforgivable! After that, the Minister goes further and declares that he does not want the poor people to wear anything by raising taxation on *mitumba*. He thinks people wear *mitumba* for fun! People buy *mitumba* because they cannot afford anything else! Now, if you are going to tax them so heavily, by raising taxation on *mitumba* by more than 65 per cent, people are going to walk naked. Why does he want people to walk naked? This is a peculiar Government! It does not care for the people of the Republic of Kenya. How could he tax items such as kerosene, *mitumba* and bread? People will suffer a great deal! I hope the Minister will think about his taxation measures once again.

Mr. Temporary Deputy Speaker, a statement was made here to the effect that we are depending on our revenue. That is ridiculous! As a nation, we need to raise resources from any quarter. No nation can survive by itself. All nations get assistance from one another, whether it comes by way of being assisted in budgetary provisions, or by way of private investment which flows to the country. Either way, we need some capital from other countries. We are short of capital by definition because we are poor. How can we develop if we do not have any resources to invest? We, therefore, need to do everything to attract foreign private investment into this country. Let us not look only at the official aid from governments. Let us encourage private investors who have got resources to come and invest in Kenya. But they will not come and invest in Kenya if the Government we have cannot use the resources raised by Kenyans.

In this Budget, Kshs220 billion will be raised from the taxpayers of this country. But judging from what has happened during the year which has just ended, half of it will go to salaries. So, the Minister collects money from everyone, including the poorest person whom he has denied bread, because he has overtaxed it, and uses that money to pay salaries to the civil servants. By so doing, there will be no money left for investment. If you look at the arithmetics we have there, all that money will be collected to pay salaries to civil servants. There is no money left for investment and, therefore, there is no development dimension in the whole Budget! The people you are paying salaries will have no resources to develop anything. So, you are only maintaining them, so that they can be alive to work the next day! But they do not have money to invest in anything! Therefore, this is a stagnant Budget which will not produce any development dimension. That is the truth of the matter.

Although we have problems, we must look for ways of getting some resources from other places. The Minister has said quite categorically that he is going to borrow more than Kshs30 billion from the domestic market. But today, because the Government borrowed heavily, interest rates keep going up and private investors will not be able to borrow because the rate of interest is too high in the banks. The Government has declared here that, in the coming year, that exercise of borrowing more heavily from the domestic market will continue. He will borrow another

Kshs30 billion to be able to pay interest on the old debt. The net effect of this is that ordinary people in Kenya cannot borrow any money from the bank. Above all, the farmer in Kenya, cannot borrow any money from the banks because it will be too expensive. In the rest of the Budget, the farmer is not even mentioned. This economy belongs to farmers and yet the farmer is not mentioned in this Budget! In which way is this Budget a development Budget, if it cannot assist the farmer or provide a way for the farmer to borrow money in order to finance fertiliser? The minimum the Minister for Finance can do with fertiliser, which he gets as aid from abroad is to give it as free aid to the farmers. He should not sell it to them because that would only amount to enriching the middlemen created by the Government by giving them that fertiliser to distribute. That would be meaningful to the farmer. But, additionally, he should bring a Bill here which will lead to writing-off of the debts that farmers owe to the State through various institutions. How else can the farmer survive? This should apply to all farmers in all sectors in the country. We require that to make the life of the farmer manageable.

Mr. Temporary Deputy Speaker, Sir, horticulture is very important for Kenyans. In the just ended financial year, horticulture brought more than Kshs9 billion to the economy from flowers alone. It is now second to tea as a foreign exchange earner. The Minister has removed the tax which used to be paid and then refunded on packaging paper. From now onwards, packaging paper is going to be very expensive and the horticultural sector is going to suffer. By extension, many other sectors will suffer as well. I have heard that people who are growing pineapples and other horticultural crops are going to suffer. Why do we want to kill the only growing sector in our economy? This Budget is very peculiar! Who designed this Budget? It cannot be the Minister for Finance who designed this Budget! How could they suppress the only growing sector of our economy? According to them, nothing must grow. The rest of the sectors in the economy are stagnant! As I said earlier, the horticultural sector was the only growing sector and during the just ended financial year, it earned the economy Kshs9 billion. It is only second to tea in terms of foreign exchange earnings. Now, they want to kill it by making it less competitive, by removing the little tax which used to protect that sector. That in itself used to make packaging material cheaper and manageable. Why do they do that? There cannot be any logic in damaging growing sectors of the economy. It is like taxing bread! The destruction of the horticultural sector is caused by people who have no thought. I am appealing to the Minister that it is not too late. When we come to the Committee Stage, some of these things can be reviewed. You can allow the horticultural industry to continue growing. It employs very many people and earns a lot of foreign exchange. How come that you do not want it to grow? There is no reason at all! What will you do with the money you are collecting? This money will just go towards the payment of salaries and nothing else! That is not adequate for paying salaries because you are not going to pay the teachers anything. You have not said whether you are going to pay the teachers anything. So, we are appealing to the Minister to look at this thing afresh during the Committee Stage. He should reduce tax on kerosene, bread, *mitumba* and, above all, continue helping the horticultural industry to grow.

Mr. Temporary Deputy Speaker, Sir, finally, I would like to emphasise the fact that we need external resources for our development. It was wrong for the Minister who spoke before me - I do not know what job he does now - to say that we have to prove that we can survive. Have you ever heard such a thing? In this nation, do we really need to prove that we can survive? Do we really want to prove that we can survive? We are planning development and prosperity and we want to raise incomes! We do not want to just survive, neither do we want to remain below the poverty line.

Mr. Temporary Deputy Speaker, Sir, 60 per cent of Kenyans are now living below the poverty line; in other words, they have nothing to survive on. How do we want to promote survival! So, let us talk about how we can prosper and this is done through investment of more money in development and open up foreign investment capital, stop taxing the growing sectors, like the flowers and food production sectors. If you destroy the fellow who develops the economy and he is hungry, how do you expect him to go and develop? How do you expect him to go to a building site without eating anything because he can only afford a piece of bread, which you have put out of his reach?

Finally, I would like to say that Kenya should join Uganda and Tanzania in trade. We have been promised free trade between these three states. Every year the Budget talks about things the Government is going to do. When do they do them? We were waiting for this Budget, which has been read finally. Last year, our three Presidents met in some place and they said that they are going to promote the political federation of East Africa. Have you ever heard of a political federation between states which are still taxing each other and stopping people from moving freely? We were promised free movement of people between Uganda, Tanzania and Kenya, but it has not happened! Goods are still being taxed in between the three East African States. We thought that this year would be the year when they will show that, but when they met and talked about targeting federation, who will believe them? It cannot be reality neither can it be true. In any case, why do they have to give propaganda to their own citizens? Propaganda has got no meaning! In fact, if they could take those practical steps of allowing free movement of goods across the border, and remove the police who are stopping free movement at the border because they only promote corruption--- There is corruption on every side of the border! Even the hon. Member knows that because he comes from near the border.

These people are just bribed! There is no point of having a regulation in place which is not being obeyed because those who are administering it are just bribed with a few shillings and they let people go free. It is better if we do not have that tax, rather than to have it, then it is not being obeyed, neither is it paid. So, the most important thing now is that, we want an East African Common Market with free movement of goods and persons. They can take that action. We had hoped for this to be carried out this year.

Mr. Temporary Deputy Speaker, Sir, on the education sector, there are bursaries that has been promised by the Minister. Until and unless he is going to pay them directly to the boards of governors of schools, that money is being lost in between. I do associate with many high schools and we are told that so much money is going to come but, the year ends before the money comes. We only receive a letter saying that "you have been listed for a bursary, you will receive XYZ money", but year ends and we do not receive the money. Somewhere in between the money gets lost! This money should be paid directly to schools and this is the only way the poorer children get the bursary. Children are still being expelled from school because of lack of school fees. You expel a fellow, he fails to sit for his examination, but you gain nothing because you keep paying the teachers. Why do you expel such children? You should not expel them! As I have kept saying, there are no children who are poor, it is only the parents who are poor! So, the nation should take the responsibility of paying school fees for children and not expel them from school! A child cannot be declared to be poor and then sent home! It is very little addition, the money which comes from the payment of school fees is no more than 4 per cent of your education budget. The rest, 96 per cent, is being paid from the money that is now provided for in this Budget. Therefore, you can do away with this 4 per cent and allow all the children to stay, at least, in primary schools; from Standard One to Standard Eight.

With those remarks, I beg to support.

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

First of all, I would like to congratulate the Minister for Finance for a job well done. There are certain areas which would certainly be criticized, but if one has done a good job, we need to compliment him. The Minister has told us that there was a growth rate of 1.2 per cent in the year 2001, compared to 0.02 per cent in the year 2000. What I would have loved to see in his Budget Speech is the expectation for this current year, 2002/2003, so that we can measure his performance at the end of the financial year. That does not appear anywhere in his Speech. For the future budgets, we would like to see that expectation so that we can measure his performance come the end of the financial year 2002/2003. I also did advocate the need to discuss this Budget many months prior to the financial year in question. This Budget ought to have been concluded in January 2002, as opposed to now when we are discussing it in June, 2002.

Mr. Temporary Deputy Speaker, Sir, we also going to be discussing the Finance Bill sometime in October. It means, therefore, that certain measures which will not have been concluded during that particular financial year, will already be in the 2002/2003 financial year. Why do we not change this habit of bringing this Budget to the House late? We should conclude this Budget, at least, six month prior to the financial year in question. So, I am appealing to the Minister for Finance to ensure that in future, Budget for the subsequent year is brought six months in advance so that come the first day of the new year, the Budget would have been approved and there is nothing left to be discussed.

We have also been told that there will be improvement in the planning for drought situations in the country. But I am wondering why, for over 38 years, the Government has been in place since Independence, the planning, the provision of water, the construction of roads, the provision of electricity in all the areas has not been well planned. I am saying this because we seem to be spending too much money on our recurrent expenditures rather than putting it into capital development. I did advocate for the need to change our scenario now, so that we put more funding on capital development, then there would be growth. Should there be growth, the level of poverty will be reduced for most of Kenyans, who at the moment are 60 per cent below the poverty line.

Mr. Temporary Deputy Speaker, Sir, the 1997 *El Nino* rains brought problems in this country. But what have the technocrats been doing since 1963? Have they not been able to foresee a situation where there could be drought in this country? Have they not been in a position to see that there could be a possibility of heavy rains in this country? Why have we gone into a contract with the Indian Ocean? We have not filled the Indian Ocean since we started letting water to go into that Ocean, and all these years the Ocean has not been filled. Can we get out of that contract from now on so that we put dams all over, and particularly in the coast region, where we would be able to harvest this water so that it will never go to the Ocean? We can then do some irrigation, feed this country, sell the food outside the country, create wealth for our people, thereby removing poverty, which is currently being experienced.

On the question of provision of roads in this country, I am glad we have provided some little money under Kenya the Roads Board. But the biggest problem we have today is the utilization of these funds by the people who are put in charge at the district. You find that they do not utilize properly even the little money which is given to them. They construct roads in a very haphazard manner, even if it is murraming. They skip 20 kilometres and they construct

one kilometre. They do not put the drainage systems on the roads and come the rains, the roads are destroyed within two months and then they start the job again. We need to make sure that those people, who are put into responsible jobs, do their jobs well and they become more serious instead of having some useless strips all the time. They should be able to do their work more seriously, become efficient, and be effective so that we reduce wasteful expenditure.

Mr. Temporary Deputy Speaker, Sir, we can only achieve a high economic growth rate which will lead to employment opportunities for our youth if we invest in capital expenditure. There are many educated youths in this country who are not employed because we have not invested in capital expenditure that can create wealth. Therefore, if we really need to think about poverty reduction in this country, then we need to change the current scenario of spending too much money on recurrent expenditure. We should spend more money on development expenditure. I know it is a painful decision to invest a lot of money in agriculture, water or even energy because certain areas will be neglected. But if we invest heavily in water, for five years, I believe we will make this country a granary which will feed, not only the East African region, but the whole of Africa, because we will be able to supply food.

Mr. Temporary Deputy Speaker, Sir, we know Kenyans are really hard working. However, they have not been provided with basic facilities to make them work even harder. That is why I insist that the Minister should provide dams and boreholes to our people. The Government also must support the rural electrification programme so that electricity will reach most parts of this country. As much as we talk about this programme, it is a pity that in Kinango Constituency, there is no single line of electricity. When we talk about lack of development, our people do not know what we are talking about because they have never had electricity for the last 38 years of Independence. Could we now, through the Spanish programme provide electricity to these people? I know we were given over Kshs57 million by the Spanish Government to provide the people of Kinango Constituency with electricity. However, four years down the line, there is nothing to show on the ground. Where has this money gone to? I would like to see the people of Kinango Constituency provided with electricity so that they can take part in the development of this country. These people are dairy farmers, but most of their milk goes to waste because they cannot preserve it. It is sad that the dairy plant at Mariakani was destroyed by certain individuals. Let the Government assist our people by revitalising this particular dairy factory so that our farmers can become self-reliant and not beggars in their own country.

Mr. Temporary Deputy Speaker, Sir, allow me to talk about the Poverty Reduction Strategic Programme (PRSP). The PRSP can only be successful if we take into account the proposals from the districts. Most people from our districts send their proposals to the headquarters, but nothing is happening on the ground. Year in, year out, we prioritise our needs, but nothing seems to be taken into account. In Kwale District, we have prioritised provision of electricity but not a single inch of power line has ever been put up in that district.

We would like to see the Mzima Springs Pipeline II completed because there is no water in our area. It is a shame that even our people do not have drinking water and yet the main pipeline traverses through the constituency all the way to Mombasa. What a shame that people in Mackinnon(?), Samburu, Chandi and Mariakani cannot drink this water. If they try to drink it, they are harassed by policemen. Are we less of Kenyans than other Kenyans in this country? I would like to see a situation whereby everybody is given an equal opportunity in this country. If water passes through my area then my people should be given an opportunity to use it so that they can improve their own economic wellbeing.

Mr. Temporary Deputy Speaker, Sir, we need to improve on our planning. I think the problem is not the Minister for Finance, but the technocrats in our offices. I do not think they take their jobs seriously. If they were actually planning well, we would not be talking about this Minister. The Minister has been in the Ministry for hardly a year. There are other Ministers who have been in this Ministry for over ten years. What did they plan for Coast Province so that they could tap all the development opportunities? All the time they were Ministers for Finance, there has been no water, power, roads and other development projects in Coast Province. Today, they are blaming the current Minister for Finance for poor planning and yet he has not even finished six months in this Ministry. Why have they not planned well in the last ten years when they were in this Ministry?

Mr. Temporary Deputy Speaker, Sir, the issue of putting too much emphasis on recurrent expenditure will not take us anywhere. We need to change our style of budgeting. I differ with my colleagues who said that this Budget is good because it does not include the donor component. We should consider the cost of capital. We are running a country. Running a country is like doing business. If we can get a loan at a lower interest rate from Japan, why should we borrow from the domestic market in Kenya at high interest rates? Although we need to consolidate our revenue collection, let us take advantage of areas where we can get cheaper funds to be able to improve our own country, regardless of the source of the loans.

Mr. Temporary Deputy Speaker, Sir, with regard to the tourism industry, I would like to see a situation where we provide better facilities for tourists in this country. I appeal to the Minister for Finance and the Minister for Tourism and Information to build a road network from Lungalunga to Kiunga. Let them put up structures that will

attract tourists. We can earn a lot of foreign exchange by attracting tourists from China. We will make billions of shillings if we can attract 1 per cent of tourists from China and forget about poverty which we keep on talking about here. Let us provide the basic infrastructure so that we attract tourists to come to this country. This Government should come up with a passenger train system where people can travel from Nakuru to Western Kenya and see the beautiful sceneries of this country. We can attract so many tourists and create wealth for this country. Why can we not plan in that way as Kenyans?

I would like also to talk about the port facilities in this country. I think we need to improve the facilities at Mombasa Port.

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

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to contribute to this Motion. The Minister, in his Speech, did indicate that there was a positive growth of 1.2 per cent of the GDP. I do not understand the parameters that the Ministry used to measure this growth. If one of them is job creation, then we all know that in the current financial year, more people were retrenched than employed. Families were thrown into disarray because of the retrenchment. Is that a positive growth? The Minister must be realistic and tell Kenyans the truth; that there was no positive growth of 1.2 per cent. If anything, our economy recorded a negative growth. The majority of our investors, who are Indians, are common. They come here pretending to invest in this country. They actually go to our banks to borrow some money, put up a small factory and after a few years, those factories collapse. They do not pay those loans and they disappear to Pakistan or India. The shareholders and workers of those factories are left high and dry.

Mr. Temporary Deputy Speaker, Sir, I am saddened by the fact that the Minister alleges that there was a positive growth of 1.2 per cent, yet we know that most industries that were built by indigenous Kenyans have all collapsed. What is happening to the Kenya Meat Commission (KMC), Rivatex in Eldoret and Raymond in Kisumu? I am giving these examples because that is where I come from. What is happening to Miwani and Muhoroni sugar factories? The Indians have "swallowed" those factories. Our Government is only cheering them on as they run down our factories.

Mr. Temporary Deputy Speaker, Sir, we have liberalised our economy, but what do we get in return? Indians are bringing into this country powdered milk. This Government promised to revive the KMC. What is happening? Farmers came together to revive the KCC. What has happened?

Mr. Temporary Deputy Speaker, Sir, we are in the COMESA region. Are we in COMESA or *komesha*? I think we are in this COMESA to *komesha* our economy. Why not? The Minister stated that he will bring in 200,000 tonnes of sugar. According to the newly enacted Sugar Act, specifically under Section 27, the Sugar Board is in place. The Act became effective on 1st April, 2002, and it is the only body that is mandated to authorise importation of any sugar into the country if it is required. Why should you import 200,000 tonnes from the COMESA region, or wherever, when Mumias and Chemelil Sugar Companies have tonnes of unsold sugar? They are not crushing 100 per cent capacity, and, therefore, Kenyans - especially the cane cutters - are not getting jobs, and yet the glorious Minister is going to allow the importation of 200,000 tonnes of sugar into the country. That is *ultra vires* and we shall tell the Sugar Board to challenge it in court if they go ahead to do that.

Mr. Temporary Deputy Speaker, Sir, last year in the Finance Bill, we were told that wheat would be taxed at 6 per cent, but nothing of the sort happened. Asians who still own the bakeries are still importing hard and soft wheat from abroad, and I do not think anybody is taxing them. In Eldoret, for example, it is only Asian merchants who can sell bread at competitive prices although they do not buy the local wheat. That is why the Kenya Mills is in trouble. We cannot sell our own wheat because we are importing cheap wheat which we are told is from some COMESA countries. If you look at the origin of that wheat, it is from elsewhere; where wheat is produced cheaply.

Mr. Mwalulu: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to impute ill motive on a whole community called Asians, while we know that there are some Asians who are genuine?

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, I do not care whether he knows some genuine Asians, but to me, I know that majority of Asians who purport to have invested here have rendered Kenya their cash cow. They come and make money in Kenya and then take it elsewhere. I would appreciate if the hon. Member would tell me which company of Asians does not have a branch in Canada, India or England or show me an Asian who has not invested in Kenya and then banked the money in Canada? I do not want to waste time on that issue.

Mr. Temporary Deputy Speaker, Sir, the Minister has allocated Kshs600 million to the Bursary Fund. I would like to disagree with those who say that cheques should be sent directly to the schools. Hitherto, the Bursary Fund has been there and the money has been going to the schools, but the teachers have not been managing these funds properly. I would like the Minister to publish a list of the Bursary Fund amounts allocated to each district. That money should be controlled by the District Education Boards, where members of the public and hon. Members of Parliament are members, as per the Education Act Cap.211. The issue of writing those cheques at Jogoo House is open to abuse.

Mr. Temporary Deputy Speaker, Sir, under the Rural Electrification Fund, the Ministry of Energy is empowered to deduct 5 per cent levy on electricity consumed from every consumer. That money is Appropriations in Aid to the Ministry of

Energy. We would like the Minister to publish a list of the beneficiary schemes of the Rural Electrification Programme from that Fund which is tax from Kenyans collected by the KPLC. The KPLC is not transparent at all; it is opaque in as far as this money is concerned. I am challenging my party KANU to be aware that this will be one of the questions amongst others that we shall be asking come the election time. We cannot be forced to be in KANU. We want transparency, and therefore, we would like to see the list of the schemes that have benefited from the 5 per cent levy deducted from KPLC consumers for the Rural Electrification Fund. The Minister should not tell us about donor funding. He should tell us where they have invested this money; in what projects?

Mr. Temporary Deputy Speaker, Sir, the Kenya Roads Board is an Act was enacted by this House. We passed it in this House, it was given Presidential assent, and therefore, it is an Act of Parliament. We were not told that it was going to be a subsidiary to the Ministry of Roads and Public Works. I would like the Minister to tell us which section of the Act is supreme and overrides the Constitution. This is because, the Kenya Roads Board was established by an Act of Parliament, and demands that the monies which are voted to the constituencies be kept in accounts, separate and distinct from those accounts controlled by DCs, the District Accountants and the District Roads Engineers. At the moment, the money voted to the constituencies and the districts is being misappropriated. This is one of the issues which will be the undoing for this party called KANU come election time. The District Roads Engineers and the DCs should not torture our people by misappropriating money which has been voted for maintenance of roads. Every Roads Engineer in every district or constituency should publish the list of names of the roads which they have done, so that before we vote another Kshs7.2 billion, we must be told where the other money went to. I know we are doing an exercise in futility because, under the Vote on Account, we have already allowed half of the money to be spent.

Thank you.

The Assistant Minister for Energy (Eng. Manga): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Motion. I would like to join my colleagues in thanking the Minister for Finance for this very realistic Budget.

It is realistic because it has taken into account all the problems that we have been facing for the last ten years. For the last ten years, this country has been expecting money from donors. We have gone through various processes with a lot of conditionalities and we have been forced to do things that have actually affected this nation, but the money has not been forthcoming. I was surprised to hear some very senior hon. Members of this House say that we cannot budget without donor money. It is not that we do not want donor funding, but what the Minister meant here was that, having waited for all those years without the money forthcoming, it was better to budget on what we have. We also know that it is better to say that we have a deficit in this Budget rather than say that we are expecting some money which may not come. This would be cheating ourselves. I think we must congratulate the Minister for this wonderful thought. This does not mean that we have closed the doors to donors. We know that there are genuine friends who will come to our rescue, but they should not dictate or colonise us by telling us what to do.

Mr. Temporary Deputy Speaker, Sir, it is a fact that some officers have been forced on us within the Ministry of Finance and Planning to check what we are doing. That takes away our integrity, and if that is what we are going to go through, it is better that we keep that money aside. When they decide to give us that money, we will definitely receive it with happiness. In any case, the donors do not give us free money. They loan us money and the taxpayers go through very difficult times to pay back the money. Therefore, we do not see why we should be forced to adopt some conditions. We have very many people who have been retrenched. We are being told that, that is a conditionality. We are told to do this and that. That has destroyed most of our installations. Therefore, I think it is a very realistic Budget. I would like to say that this Budget is actually meant to help the poor people. You can see that Kshs600 million has been allocated for bursary funds. Obviously, that money is not going to the rich. Those who qualify for those bursary funds are the poor. As you know, education is a very important commodity for human development. Therefore, the Minister, in his Budget, has considered to give Kshs600 million, which is quite good. I am sure it is going to help many poor people.

Mr. Temporary Deputy Speaker, Sir, we also know that the Minister has provided Kshs500 million for text books. Those who cannot afford to buy text books will benefit from the Budget. That is a very good thing. I know that our Budget is in deficit. But we hope that we will be able to manage as we grow and God willing, we will be able to bridge the gap. It is better to live poor than live in slavery. What those people have been doing is to take away our Independence quietly. That is what the late Mr. Nyerere called neo-colonialism. We are trying to run away from that by tightening our belts.

Mr. Temporary Deputy Speaker, Sir, I would like to talk a little bit about the Motion that we passed the other day, of increasing the constituencies. My own district is a one constituency district. We are suffering because of that.

For example, on the roads money where each constituency is given Kshs5 million, we get the Kshs5 million for the whole district! That is because we have only one constituency.

I am a little bit surprised to hear some people say that we should wait. We must have people represented properly and, therefore, it is high time we considered increasing representation in this House. When the Bill comes before this House, I want to urge my friends to consider those others who are in need of having more Members of Parliament to represent them.

I want to say that this Budget has been very considerate, especially to agriculture. Our nation is agricultural-based and, therefore, we want to thank the Minister for doing that and helping our people by giving zero rates on some of the agricultural raw materials. That is great because we have to think about our farmers. I want to say that, if it is possible, we have to enable our farmers to grow more food. If you remember, when there was famine in this country, we were eating yellow maize meant for cows. We had a lot of problems. We do not want that kind of a situation to happen again in this country. Therefore, a district like Kuria, which is agricultural-oriented, would love to have an easier way of farming with cheaper seeds, so that we can continue with our activities. We do not have minerals, oil or other things except agricultural products. Our people want to fight poverty. You can only fight poverty using the natural resources. Our natural resource in that case is farming. We have good soils and rains and, therefore, if we are facilitated to farm, it would be very good for our farmers.

Mr. Temporary Deputy Speaker, Sir, I must also say that we, in KANU, have been saying that we want a new Constitution. I am a little bit surprised when our friends from the opposite side say that they want to go to the elections with an old Constitution. We are surprised that there is a change of heart in that matter. They have been pressing for that and they have been saying that the Constitution that we have is useless. Now, we have been tossed back and they are saying that they want to go to elections with the old Constitution. We are insisting and appealing to our friends to think again and support the Bill. We are very sure that they will change their hearts, so that we could wait until the new Constitution is made.

With those few remarks, I beg to support.

Mrs. Mugo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Financial Statement. As usual, I find that the Minister was very vague and made very general statements, without offering concrete steps which will be taken in order to implement the ideas. I have in mind a question which is very close to my heart because it is in my constituency in Nairobi. That is the problem of hawking. The Minister says that the hawkers will be designated certain areas to do their businesses, but he does not say where or how it will be done. We know that has been said time and again, but the hawkers have continued being harassed. Yet, we know that it is the only sector where the ordinary Kenyan is able to derive some livelihood. I would like to ask the Minister to be more specific, as to the legal framework of what he has in mind, to guarantee the security of hawkers, so that they can do their businesses peacefully. This continues to happen in several other areas. It would also be very surprising or an offence for me to praise this Budget or to say that this is really a poor man's Budget. It is an increasing poverty Budget. I expected to see the Poverty Reduction Strategy Paper (PRSP) being put into effect in this Budget this being its second year of operation. At first, we were told that the PRSP had just come out when last year's Budget was read. This is one year after and still many areas like agriculture, which is the backbone which is the backbone of our economy where we can really increase employment opportunities, continues to receive very little money. It does not make sense. That is why we said in this House that, that money was wasted when the Government held all those workshops around the country for the ordinary Kenyans to say what were their priorities, but when it comes to preparing the Budget, the Minister ignores agriculture which we know was number one, infrastructure, education and we see other areas like the Department of Defence (DOD) getting a lot of money whereas the country is not at war. So, I propose that some of that money should really be used on agriculture. It should be removed from the Office of the President and taken to the Ministries of Agriculture and Rural Development and Education, Science and Technology and so forth.

Mr. Temporary Deputy Speaker, Sir, only recently this House passed the Children Bill and the Budget does not reflect anything to do with free education, as we had promised, for children. Are we here just to pass Bills just for public relations efforts or for the international community like the UN? This Budget should have at least made an effort to spare some money for even two classes in primary schools for children to get free education. The Minister should have told us how we are going to develop, but this did not happen. Even nothing is shown for all the other programmes like Female Genital Mutilation (FGM) and so forth. Nothing is shown in the Budget as to how these children's needs, including their health, will be implemented after we passed it in this House.

Mr. Temporary Deputy Speaker, Sir, most of us are surprised to hear that salaries of Members of Parliament are to be raised. In fact, when I read yesterday's *Daily Nation*, there was a story talking about salary increases in the Estimates and yet we have never discussed any salary increments for hon. Members in this House. As I speak now, I really do not know even what it is.

I would like the Minister to enlighten us, when he replies, how those Estimates came to be so that I can

explain to my people in Dagoretti why I am getting more salary increments instead of the teachers and yet we have been telling the teachers that there is no money. I think there is a mistake in those Estimates or this story is fraudulent. We do not want to be blamed for things that we have not discussed in this House. We should be informed. If our proposed salary increments are a form of bribery so that we can discuss the extension of the life of Parliament, I do not think we want that money.

Mr. Temporary Deputy Speaker, Sir, I am very surprised because we are supposed to be here really representing our people. We know we have a lot of responsibilities, but we cannot really justify such an increment when we have done nothing for the children, teachers and others. There will be time for increments but, at the moment, the economy definitely cannot be able to carry that load.

Mr. Temporary Deputy Speaker, Sir, I am surprised when some of us keep on blaming the donors although we are the ones who asked for this money. Of course, there are conditions to be met when you lend people money. You want to know whether this money will be repaid. Why do we complain when we are given conditions? Conditions are normal because we have proven that we are not transparent and are corrupt. That is why the donors are on our necks. Why do they give money to our neighbours and not to us and yet Kenya was a darling of the donors for a long time? However, we have not proven to be dependable and that is why this has happened.

Mr. Temporary Deputy Speaker, Sir, we should not praise the Minister for being able to present a Budget without the donor funding when we have a deficit of Kshs67.5 billion. The Minister shows us how he will raise Kshs34 billion and borrow the balance from the local market. If he borrows the balance from the local market, then he will keep on increasing poverty. It means we can never create wealth through business transactions because businessmen will not be able to borrow. So, the Minister wrote a Budget as if he did not have a vision as to what will happen next.

Mr. Kamolleh: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. lady in order to mislead this House that the World Bank and IMF are not giving money to this country while our neighbours are getting aid because we are not fulfilling their conditions when, in fact, it is the Opposition hon. Members in this very Parliament and outside there who are telling the IMF and World Bank not to give us money?

Mrs. Mugo: Mr. Temporary Deputy Speaker, Sir, this is common sense and just like KANU is trying to deceive this country by extending the life of Parliament, it will not get very far. People are now learned and they can read and know what is happening.

Mr. Temporary Deputy Speaker, Sir, I believe it is sad. We should not cheat ourselves that we are able to budget with the money we have. We should start with even reducing the allowances of hon. Members of this House. Since Ministers overspend money in this country their allowances should be reduced.

Mr. Temporary Deputy Speaker, Sir, I wanted to say one thing about the 90 proposed new constituencies. The women of this country oppose this move. This House passed a Motion on affirmative action. We referred the issue to the Constitution of Kenya Review Commission (CKRC) to ensure that by the time we go to the next elections, affirmative action will have been put in place. Therefore, we asked for seats to be added on a proportional basis so that, at least, 50 per cent of those seats would go to women and other disadvantaged groups. So, if we are increasing the seats, there must be some for the disadvantaged groups especially the women on affirmative action basis. So, we oppose strongly that suggestion that constituencies should be increased by 90 if we know we cannot reserve 75 or 100 seats for women.

The Temporary Deputy Speaker (Mr. Manyara): Women will share out the additional 90 seats.

Mrs. Mugo: No! The additional 90 seats will be fought for competitively. We have already proven that as long as they are fought for competitively, we will continue having five women in this Parliament. We want to have those seats because it is the men who initiated that Motion but rescinded their commitment.

Mr. Mkalla: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member speaking now to feel that women are less important than men since I thought they are equally intelligent?

Mrs. Mugo: No! Do not waste my time! We oppose strongly the extension of the life of this House and the KANU Government must stop hiding behind the constitutional review process. We know they put many road blocks in the past just to make sure that the constitutional review process is not concluded in time. Now we know that they did that because they wanted to get extra time in this House. You will not have it. We still want the new Constitution. If KANU tries to derail the process, then we will go to elections with the old Constitution.

I beg to support.

The Assistant Minister for Local Government (Mr. Kiangoi): Mr. Temporary Deputy Speaker, Sir, I also want to add my voice in congratulating the Minister for Finance for a job well done. The Budget Speech was well presented and the whole Budget is well focused.

Mr. Temporary Deputy Speaker, Sir, the Minister did indicate in the Budget that he will look at the area of revenue collection. This is one area which we need to pay attention to so that the people who are making millions and

even billions of shillings in this country can be taxed so as to provide money for services that are required in this country. I am thinking of situations of people who make, for example, billions of shillings and are able to take that money out of this country. In other countries, if you are a foreigner doing business in that particular country, you are not allowed to come out or to send out of that country colossal sums of money that will drain that economy. I would urge the Minister to look at that possibility of levying such a tax on those concerned because, in any case, they have made the money in this country, be they locals or foreigners.

Mr. Temporary Deputy Speaker, Sir, in the area of expenditure that the Minister dealt with, he did indicate that the highest priority will be given to activities that are geared towards development. I am thinking about the farming sector. The farming sector in this country is inadequately provided for. We do depend on farming in the country and our produce, say, like in Nyamira where I come from, is basically tea. You will find that the infrastructure in the area is not well taken care of so that our tea does not reach the factories in time and its quality goes down in the process of delay. I would like to request the Minister in the future to make substantial provision towards the infrastructure so that we can enhance our farming. I want to take this earliest opportunity to thank the Minister for making a provision of Kshs400 million towards the construction of the Kisii-Chemosit Road. That is in addition to the Kshs100 million that was provided for this year. I want to also advise the doubting Thomases that they should not speak negatively about that road. It is a road that is under construction and there is money in the Budget. It is going to be constructed and, indeed, the contractor is on site. Despite what other people are saying, we do not want to use it for political mileage. We want that particular road to be constructed.

The Temporary Deputy Speaker (Mr. Imanyara): I thought you pointed out that it has been in the Budget previously!

The Assistant Minister for Local Government (Mr. Kiangoi): Mr. Temporary Deputy Speaker, Sir, no provision was made for it. The Kshs100 million has been provided this year and already the contractor is on site, and Kshs400 million has been provided for the next financial year. I believe, personally, that it will be done because the Minister is genuine about this allocation.

Mr. Temporary Deputy Speaker, Sir, on the area of elimination of wasteful expenditure, I have noted, even as I speak here in Parliament, that sometimes we use public property in a very wasteful manner. The use of Government vehicles and offices is an issue which we should address ourselves to. You will find that sometimes a missing battery alone is enough to ground a vehicle. Eventually, it is boarded and then sold. This is wasteful and we need to look into that area and I congratulate the Minister for identifying that as a necessary input.

Mr. Temporary Deputy Speaker, Sir, let me now talk about unfinished projects. This is also one way in which we waste our resources. We have now spent about Kshs2 billion towards the constitutional review process and some people are arguing that we should not extend the life of the Commission. That will be wasteful because the Kshs2 billion will be wasted. It is important to extend the life of the Commission and, in line with that, also extend the life of Parliament together with the life of the Presidency. We are for that---

Mr. Kihoro: On a point of order, Mr. Temporary Deputy Speaker, Sir. Have you heard the speaker on the Floor mention His Excellency the President as one of the parties whose term he would want extended when he has clearly stated that he does not want his term extended? Are you advocating for him to continue when he does not want to?

The Assistant Minister for Local Government (Mr. Kiangoi): Mr. Temporary Deputy Speaker, Sir, I think it is a question of following what I said. I said the "Presidency", and the Presidency is different from an individual.

Mr. Temporary Deputy Speaker, Sir, let me talk about electrification in rural areas. We require that to be taken into account so that, like in my constituency, coffee factories can have electricity to lower the cost of production so that the benefits will go to the farmers. On the area of communications, we need telephones to be provided for in the rural areas.

Mr. Temporary Deputy Speaker, Sir, one speaker talked here about bread having been taxed. I do know that the Minister is a very considerate person, as an individual, and the Government is a government that wants to take care of the interests of our wananchi and their welfare. I do appeal to the Minister, when it comes to the Committee Stage, to consider removing this tax so that wananchi can have bread that does not cost as much as it will cost today.

Mr. Temporary Deputy Speaker, Sir, on the donor element, we should not be crying about donor funding. In fact, I do want to thank the Minister for keeping it out of our Budget. We should be talking about doing business with other countries or development partners rather than the donor element. We will be seen as a begging nation. I am sure that we can do without donor funding. It is different from doing business with the other countries because donation means that you are expecting free things. In my tribe, there is a saying that there is nothing for nothing. I think it applies also in this country, that we should not expect free things so as to develop. I would like to see a situation where we have a Budget that is truly Kenyan and does not take into consideration foreign input so that we can gauge the tempo of our development.

Finally, Mr. Temporary Deputy Speaker, Sir, let me say that in the area of human resource, education has been an area which has been of concern. I want to thank the Minister for the textbook provision of Kshs500 million and Kshs600 million for bursaries.

With those few remarks, I beg to support.

Mr. Khamasi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to this Motion. I would not like to cheat my friend the Minister for Finance that I want to praise him. All I will do is to wish him well when he presents to this House a deficit Budget. I do not know whether the Minister for Finance knows what the experts at the Treasury did concerning the Budget. There is a lot of repetitiveness in his Budget Speech compared to the speeches of his predecessors. You will note that quite a number of paragraphs were just plucked from previous Budget Speeches. I do not know whether the Minister realises this. I would like the people at the Treasury to be a little bit more serious and innovative so that we can be presented here with a Budget Speech which is not a repetition of what we have heard before.

We are proud of the fact that our economy has registered a growth rate of about 1.2 per cent. The Minister should be proud of that fact. However, when we compare ourselves to neighbouring countries, you will find that, that is not good enough. The Minister has probably got a reason for this and I know what he will tell us when he is replying. Our neighbours in Uganda and Tanzania have got a growth rate of over 5 per cent while that of Mozambique is close to 8 per cent. I know that the Minister for Finance will tell me that these economies are backed by the World Bank, IMF and the donor community. This is true, but the question we should ask ourselves is: Why have we not been able to get that funding from the World Bank, IMF and the bilateral donors? This is because these countries have complied with the conditions which they were given by these donor funding agencies while we have not been serious enough to do so. Kenya must just stop crying foul. We must stop crying like babies, saying that goal posts are being shifted around. Let us face the real issue and comply with the conditions which we were given by our development partners.

There is no need to pretend that we can get our economy out of the current mess that we are in until we actually get the donor funding. We do not see any political goodwill in complying with the conditions. I remember it was sometime last year when the immediate former Finance Minister said that we have been given conditions which we cannot comply with. He even went as far as saying that the Government was being forced to sign on dotted lines. That is a shame. We should only commit ourselves to what we can do and reject what we cannot do. Therefore, there is no need of signing an agreement which you cannot comply with. We need leadership that has the necessary political goodwill for us to be able to comply with these conditions.

When we use every opportunity at international conferences to bash the donor community, what are we doing? What message are we sending? Are we serious that we are trying to comply with what they want? I am not sure. When you look at our budgetary structure, it leaves a lot to be desired. We come here to vote monies to various Ministries and departments and after that we sit back and leave it to individual civil servants to waste it. There has been a lot of waste. Now that the Minister for Finance has come up with a Budget that has no component of donor funding I hope the message will get to the Ministries that we cannot afford any more wastage. People must be serious and monies must be used for the purpose for which they are voted. It is important that, that message gets to the people who are managing our finances in various Ministries.

Mr. Temporary Deputy Speaker, Sir, I have got something to say about the Judiciary. How can we rely on a Judiciary which has been weakened by very "fake" appointments? It is full of people in whom we do not have any trust. That area needs to be looked at very critically. Let us talk about what the Minister for Finance said on page 5 of his Speech; about restoring our physical infrastructure. The 16 per cent allocated to the Kenya Roads Board which was meant to go to constituencies is being swindled by District Works Officers (DWOs) and District Roads Engineers (DREs). I have just spoken to the Minister for Roads and Public Works and I think this matter needs to be taken very seriously. We have not seen the 24 per cent which is meant for the districts nor the 60 per cent for the Roads Department. I would like the Minister to explain where this money is going to.

We did talk about lending rates. Multinational banks will not allow you to maintain stable interest rates unless this Government intervenes. The Donde Act went a long way to give us the way forward. I was surprised that the same Government, which is supposed to protect its citizens, looked so helpless in trying to support this Bill so that Kenyans are not left at the mercy of the multinational banks. It is a very big shame that the Government can sit back and watch a cartel of multinational banks messing up Kenyans by charging exorbitant interest rates without doing anything. It is high time the Government stepped in and found a solution on how we can control the ever-rising interest rates.

Heavy domestic borrowing is a big problem in this country. This will continue for as long as our relations with the IMF, World Bank and the other donors are not resumed. This leaves very little credit available to the private sector. It is high time we looked very seriously into this business of resuming donor funding. I know some hon. Members said that it is good for the Minister to have left it out. Fine, no problem. But what message are we sending

out to the investors when the World Bank, IMF and other donors are not taking part in our economic restructuring?

Recently, during the Supplementary Estimates, we approved over Kshs400 million for the Kenya Railways Corporation. It is high time the Minister came back to us and told us what he did with that money. In fact, there is a further Kshs1.6 billion which has been allocated to this Corporation. However, it is not being channelled through the parent Ministry, but the Ministry of Finance and Planning. We want to know why this amount of money has not been allocated to the parent Ministry in the Estimates. What does the Ministry of Finance and Planning want to do with it? Promises which were made in the last Budget, regarding privatisation of parastatals, have not been fulfilled. What have you done? No mention has been made about Telkom Kenya. Will the Government continue searching for new bids for this parastatal or not? Telkom Kenya appears to me to be a "sacred cow". It is a "cash cow" which the Government is not prepared to dispose of. Let the Minister state the Government's position on this one. I would like to wish my friend good luck hoping that he will continue in the Ministry because the turnover in that Ministry is one Minister of Finance for every year that I have been around here.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Poghiso: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this year's Budget Speech. I would like to thank and congratulate my colleagues who have spoken before me. I will take just a moment to appreciate the Speech and congratulate the Minister for Finance for a balanced Budget, especially focusing on sector priorities. I am, particularly, impressed that this year's Budget put a lot of focus on agriculture and rural development in the sense that we all understand it, including giving as well as much thought to pastoralism in pastoral areas.

Everybody looks at the Budget differently, and the interpretations are many, more like the proverbial "elephant and the seven blind people." If you touch the tail of the elephant, you may describe the elephant as a long stringy-like object; if you touch the ears, you may think that it is flat, and so forth. But at the end of the day, we must come around and say that we have a good Budget and we must help the Minister in his task to enable him and his staff to raise the hopes of our people and to improve our economy and give us stability in that regard.

Something was done about textbooks, bursaries and generally education. But the Budget's provision for bursaries, for example, is still very small. I hope we will continue to move in that direction. Our people in many areas are unable to pay school fees. More and more people are finding it hard to pay school fees. More and more children are being sent home to look for school fees, especially in secondary schools. Most of our schools are in debt. Our schools are not able to meet their needs because people are not paying school fees. I think the Government will do more in that respect, to allow pupils and students to continue with their education. Let them study and finish their education.

But there is one area that I just wanted to touch on - the area of technical education. If we want this country to industrialise by the year 2020, I do not think that much has been done yet; in terms of encouraging the technical aspect of our education. There are many who are not able to get access to secondary schools and universities and they need to divert to technical training and prepare us, as a country, for industrialisation by the year 2020. There are many technical schools in this country, and they need to be supported in order to bring our people to that place where industrialisation can be a realisation.

The Minister mentioned, in his Budget, that the KMC will be back in operation. This is the beginning. In my view, to fight poverty, we must replicate KMC in many regions where cattle are kept - in areas that are generally pastoral - so that we do not just have one central KMC, but several in many areas. If that is done, people would sell their cows or their livestock in nearby markets and realise capital so that they can also be encouraged to do other things, to bring up the economy. I think our objective is to transfer this economy to as many of our citizenry as we can. So, that is a good beginning. I know that KMC has had problems in the past. As a factory, it can function, but I do not know about the holding grounds; where they are and where the cows are going to be held. That is an issue that needs to be looked at.

Mr. Temporary Deputy Speaker, Sir, regarding roads, there are some roads which need special attention. I have spoken about our main roads in this country. We have a good road network; a number of kilometres of tarmac road, but they are in bad shape. So, we can put any amount of money we want on roads, but if the quality is still compromised, there is no amount of money that is going to make the roads last. I think ethics need to be strengthened here. I think contractors need to realise that they are doing the country a disservice. If a brand new tarmac road does not even last five years, then, we may end up using a lot of money on roads. We may provide money for a road now and provide another amount of money next year for it. I do not understand why these people are given these works to do.

So, it is not the amount of money any more; it is more of what our people are capable of producing, in terms of quality of roads. We have been to places where roads last, because they are done to specifications. This is a challenge to the Minister; that, if it is just going to be the question of putting money in anything any more, let us look for quality. I would rather that we construct a few good roads that will last us long rather than try and "spend thin" and

have no roads at all.

If you are driving from here to Kapenguria - of course you have to drive from here to Nakuru first on a very rough road and then from Nakuru to Eldoret - you will find that portions of that road are just difficult. That is one of our main roads, and I think they should construct it well, just like they are doing with the Mombasa one. Let us maintain our main roads to international standards.

I am also concerned about our rural roads. The Rural Access Roads Programme was a good programme because it gave our people opportunity to work with their hands and build roads. In those areas where that Programme was implemented, they did a good job. Then, it was discontinued and now with the Kenya Roads Board money, we have seen that roads which are constructed by hand now are much better than roads where a grader is involved. Sometimes, the grader goes to a place, especially those areas in very far places that I am talking about; in Kacheliba, and comes back in a few hours, and the fuel is finished. How does fuel get finished? Fuel is siphoned off and sold. Before the construction of the road is finished, they would tell you that there is no more fuel. Wananchi are very interesting people. They know about that and they can see their fuel being siphoned off and sold and they would say nothing about it. Then, they come and complain that there is no road.

I think Kenyans need to be very responsible. If you find somebody selling fuel along the road, at least, do something about it. We have become so numb to these things. We are getting so callous about it; that, you can watch somebody doing that on your road and you do nothing and you cannot say anything about it. The danger with the money on roads right now is that those District Roads Engineers and District Works Officers, unless they are watched very carefully, they will, definitely, get richer now because the money is in their hands. They can, on one hand, use it to buy fuel and, on the other hand, sell the same fuel, and we would have no roads constructed.

My concern with budgeting is that we should see something tangible being done with the amount of money that has been budgeted for each Ministry, but it should not be a question of which persons or which district gets so much. It is what do we do with the amount of money provided so that we have something to show for our budgeting this year. Of course, if there are no elections this year, then, whatever has been budgeted for elections should go back to rural development, agriculture and to those areas that would otherwise not have been catered for. But, again, that is another matter for this House to decide. But it is very important that our rural areas are made very secure so that investors can invest beyond the cities and the main towns. For example, I would like to see people who want to invest in cotton ginneries in those rural areas. Kapenguria in West Pokot District, will start growing cotton, and we require ginneries there. But we require security in order for the investors to invest in that district. We would like the investors to know that they are secure. The Government has done a good thing to allocate the amount of money reflected in the Printed Estimates to security. This is because it is very important that security is beefed up in some of those rural areas, so that our investors can invest there.

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

Mr. Mutiso: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to give my views on the Budget which was read here by the Minister for Finance.

I would like to start my contribution by thanking the Minister for Finance for having made a departure from tradition and excluded donor dependency from our national Budget. I think since, Independence, this country has relied on bilateral, multilateral donors and other sources to finance its national Budget. I believe that the theme given by the Minister for Finance, of efficient utilization of resources, is a welcome one.

Let me make a few remarks, or observations, which the Minister might use to mobilise resources. This is what I code-name here as "efficient resource mobilization." One aspect of our Budget concerns raising of revenue through taxation. The main problem we have been facing in fulfilling our budgetary requirements has been meeting the tax targets. The taxation system in Kenya has been said to be one of the most retrogressive and which gives way to tax evasion. I believe that the Treasury should come up with a scheme which makes the taxation system much more taxpayer-friendly. For example, there are schemes in other developed, or developing countries which have assisted in the mobilization of resources. In this country, at the moment, when we do not have support from other sources, the Minister should rely mostly on resources from the citizens of Kenya. Most of the business entities, or firms, have been unable to pay their taxes in time because of the bureaucracy which is involved in tax collection.

I believe that if the hon. Minister introduces a voluntary tax scheme, with a period of six months for resolution of all those disputes which are pending, so that those people who have tax disputes can initially pay what they feel is due from them, we can raise some revenue which can be used to cushion our Budget. Therefore, I would like to propose a voluntary disclosure scheme which will enable those people who have pending tax disputes to pay the amount they do not dispute. We have tax disputes which have been pending for the last five years, ten years and others for the last 15 years. All these tax disputes tie up our revenue resources. I think that the Minister, and his technocrats, should ensure that undisputed tax revenue is collected by the Treasury.

In addition to that, I would also like to make a very important point. In Kenya, we have embraced the

COMESA economic block. We have also tried to embrace the concept of East African Community. All these concepts are nothing but trading blocks. Trade is nothing but the flow of goods from one point to another. There has been a bottleneck in the movement of goods in and out of this country. Why is this the case? It is simply because our taxation system, procedures and guidelines are prohibitive when it comes to doing business. It is high time the Minister for Finance, together with his team came up with a facilitative scheme. If, for example, a certain business, knows that its turn-over in a year is about Kshs2 million or Kshs3 million, it should know the amount of tax which is supposed to be paid within that trading year. So, the Minister can come up with a computerised tax system, whereby tax can be paid in advance. The taxpayer's credit can then be transferred to his account on a quarterly basis or after six months. In this way, businessmen can do their business throughout the year without interruptions. Many goods are lying at the Port of Mombasa because of bureaucracy. I think the Minister should come up with a scheme which will speed up the flow of goods into and out of this country.

I would like to say that the development of this country has been based on the District Focus for Rural Development Strategy. We have agreed that a district should be the focus of development. The District Development Committees (DDCs) are the organs which the various departments or policy makers depend on. Sometime back, the Ministry of Finance and Planning used to send Printed Estimates to the various departments in the districts. This system was abolished. I would like to urge the hon. Minister to re-introduce the practice of sending the Printed Estimates in advance to the various departments in the districts. This will enable the technocrats and the various implementors of policy, know how much is due to them and can be used, so that we can know when the programmes, or the district plans, are being implemented. The Minister should also ensure that the money which has been put in the Printed Estimates reaches the districts.

As far as the fiscal policy is concerned, I would like to urge the Minister to rely on our brothers and sisters who have left this country to various countries to do certain businesses abroad. We have experts and professionals who reside outside this country and invest in those countries where they live. I believe that if the Treasury thinks of ways and means of raising money outside the domestic market--- It is high time the Minister came up with a Kenyan bond meant for non-resident Kenyans. This bond should be made attractive in various ways. For example, it can be made tax-free, dollar-denominated and long-term. This will enable a person to make a departure from his promise to hold the 91-day Treasury Bills to holding long-term bonds. I think our patriotic Kenyans in other parts of the world will be proud of this arrangement, and will bring their money to this country because they would also like to be involved in the development of this country.

Mr. Temporary Deputy Speaker, Sir, let me make a brief comment as far as privatization of our parastatals is concerned. It is high time we gave a stake to our non-resident Kenyans in the privatization process. I believe that we are talking about privatising some of our very important sectors, for example, Telkom Kenya Limited in the telecommunications sector. We are also talking about the power sector and so on. I believe the privatisation process will have some short-term gains, but we should also look at its long-term gains. The corporations that are being privatised should largely be owned by us. I believe that in the same process of issuing the Treasury Bonds, the Minister may try also to introduce the concept of warrant, whereby the Treasury Bonds can be converted into equity. This equity can be packaged in such a way that the privatised corporations can also be owned in future by the same people who have bought the Treasury Bonds. Therefore, with that innovative financial concept, the Minister will realise two things, namely, revenue from our Kenyans abroad and enable Kenyans to own our corporations in future. I do not know how the Treasury operates.

With those few remarks, I beg to support.

The Assistant Minister for Trade and Industry (Mr. Mohamud): Thank you, Mr. Temporary Deputy Speaker, Sir. I want to join my colleagues in congratulating the Minister for Finance for presenting to us a well-balanced Budget, and we hope that it will result in economic growth, creation of wealth, poverty alleviation and, much more important, improve the standard of living of our people.

This cannot be realised without the support of the private sector. As you are aware, the private sector is the engine of the economy. I will compare the economy with a vehicle and, perhaps, the driver could be the Government, but the engine is the private sector. So, when the engine fails, the vehicle cannot move. So, I would like to urge the private sector not to always blame the Government for the poor performance of the economy. In fact, this should be a joint venture between the private sector, the Government and the donor community. The role of the Government is very clear. It is the work of the Government to provide the necessary infrastructure, security and a conducive environment for the business community to operate. But if the private sector is not committed to this, especially right now when there are challenges of globalisation, it will not create a lot of wealth in order to have many people employed.

The donor community has given us very little support in this financial year, and I think we can do without it. We can do without it for the simple reason, that for the last ten years, donors have always been dilly-dallying. The Minister for Finance has talked about the utilisation of resources. We should utilise four resources that start with the

letter "M", namely, man, money, machines and materials. The Minister for Finance, together with the Government, should try to utilise the manpower in this country. We need training for our people who should in turn give us good output and show commitment to their jobs. As far as money is concerned, there should be sound financial management in this country. The machines include transport. Government vehicles are being misused by people who are supposed to use them properly. Materials include all types of supplies. So, the Minister for Finance should take these four resources very seriously and, if he utilises them to the maximum, then we can do away with the donor support.

The non-governmental organisations (NGOs) have also a role to play in the economic development of this country. Unfortunately, NGOs have done very little, especially in the marginalised areas. We are aware that there are over 1,200 NGOs in Nairobi alone. These are just briefcase NGOs. They syphon off all the money they receive. If you count the number of NGOs in northern Kenya, starting from Turkana, Kacheliba, Mandera to Lamu, you will find that it is negligible. So, it is high time the NGOs Act provided for punitive action against NGOs that embezzle funds and support projects selectively. I say "selectively" because most of these NGOs are just in Nairobi and in areas close to Nairobi.

As you are aware, education consumes about 40 per cent of the national Budget. This clearly demonstrates the importance the Government attaches to education. We know very well that one of the objectives of education is to improve the economic, social and cultural development of the country. In other words, we have to invest heavily in our human resource in order to have well-educated people who can represent us in areas such as the labour market. The money that has been set aside for the education sector should be utilised to the last cent.

I am happy that the Ministry of Education, Science and Technology has done and achieved a lot. In fact, right now we can say that we have a lot of trained manpower and we can export labour to other countries. But there are a lot of inequalities and imbalances in access to education. Some areas have excelled while others have been left behind. One of the aims of education is to create unity in this country. We cannot have unity when certain areas have been left behind in terms of enrolment in primary schools and access to education at other levels. The school drop-out rate is very high, particularly in marginalised areas. For example, in Wajir District, only 12 per cent of the school going age children attend primary schools. Of these students, 5 per cent of them complete Standard Eight. The picture is even more grim in secondary schools. It is a pity that no students proceed to university after 12 years of education. That clearly shows that the system is inefficient. Therefore, the money that has been used in education has been wasted. However, the Minister for Education together with the Minister for Finance have done a lot. In order to correct this imbalance, we have been given grants for secondary schools amounting to Kshs150 million and I think that was a wise decision. The Minister should ensure that the money goes to deserving students. I would also like to thank the Minister for giving us Kshs600 million for bursaries and this will go a long way towards assisting our poor and needy students. The quality of education in this country has been on the downward trend. Enrolment rates have been going down. In 1989, the enrolment rate was about 95 per cent in the whole country but today, it is about 70 per cent. That clearly shows that there is something wrong somewhere. I attribute this to poverty and I think we should address that area. The other area is curriculum development---

With those remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, there have been a lot of repetitions and if requested, I will put the Question. I will hear two more hon. Members, that is Mr. Githiomi and Dr. Wako. After that, if requested, I will put the Question for the Minister to reply.

The Assistant Minister for Health (Dr. Wako): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute. First and foremost, I want to take this opportunity to thank the Minister for Finance for bringing here an home-grown Budget. For the first time, the Ministry has brought to the House a Budget devoid of donor funding component in it.

For the last ten years, the Budget was being prepared with some expected donor support in mind. This has been a big problem to our economy. What we are saying here is that Kenya should not be dependent on donor funding. Kenya should generate revenue to meet its budgetary requirements. We should not rely on donors so much, to the extent of losing our creativity. The Ministry of Finance and Planning should put more resources into the Kenya Revenue Authority (KRA). The KRA has got a lot of work to do. It appears as if the present system of taxation leans more towards the poor people than the rich. But the rich people who import commodities from outside this country are not being taxed. Therefore, KRA should take the initiative to tax those people and be as efficient as possible. When it started, KRA was very efficient but, over the years, it has actually gone down and we really need to do a lot of work, to ensure that KRA taxes all the goods that are coming into the country. If Kenyans can use and utilise the Port of Mombasa well, it can generate enough income. It is true that the tycoons in Mombasa today are evading tax by stationing their ships in the high seas and using motor boats to bring in goods into the City of Mombasa. By doing so, they are evading tax and hence, denying the country the much needed income. This needs to be looked into very

seriously. We should ensure that everybody pays taxes so that the Government can have the much needed revenue.

Mr. Temporary Deputy Speaker, Sir, the Government should address the issue of insecurity in this country. Once we experience insecurity, then there is instability in the economy, investors run away and all other things. In this regard, the police need to be given more equipment. We congratulate Mr. Muathe and his team in Nairobi because they are doing a good job. They must be encouraged. Kenya should ensure that the small arms which are wreaking havoc in this country are impounded at the border. Our borders are very porous. Corruption is very high and small arms can easily come into this country from Somalia, Uganda, Sudan and Ethiopia. That is what is creating insecurity in this country. So, we should tackle this problem very effectively and see how these small arms can be prevented from coming into this country.

Mr. Temporary Deputy Speaker, Sir, the Budget has given a lot of emphasis to agriculture. I would like to thank the Government for trying to revive agriculture. Everything is going towards the right direction because the coffee industry and the tea industry have been liberalised to make sure that farmers can manage their own institutions. To date, the small-scale farmers are not getting their pay. The same applies to the pastoralists. We need to emphasise the fact that the livestock sector should be encouraged. I would like to thank the Minister for Finance for moving towards reviving the Kenya Meat Commission (KMC). This is the first time that we will see the revival of the KMC. When the KMC is revived, that will be a good opportunity for the pastoralists to sell their animals. Most people in the pastoralist areas depend on relief food because they cannot sell their animals. The revival of KMC, therefore, will make things much easier. The Minister has said that they have set aside money for sinking boreholes and dams. This will go a long way towards cushioning pastoralists from drought. We purchase a lot of relief food in this country because we do not have dams and boreholes. Most places can sustain those animals but due to lack of water it becomes a big problem.

I want to thank the Minister for Agriculture for trying to revive the cotton industry. It is unfortunate that the Minister is trying to do so at a time when the Americans have started the African Growth and Opportunity Act (AGOA), in order to revive the cotton industry. We want to be careful and make sure that in most of the Arid and Semi-Arid Lands (ASAL) where cotton can be grown, we encourage it to make sure that there is enough market for it because I know, most areas like Isiolo, Tharaka Districts and quite a number of other places used to produce cotton. Even in Nyanza, there was no marketing and that actually affected the cotton production.

Mr. Temporary Deputy Speaker, Sir, we would like the Government to look into the revival of irrigation in the ASAL areas, which can actually produce their own food and make the food security for this country to be at a better state. In trying to industrialize, we need to have electricity. As I speak here today, the Rural Electrification Programme is not actually working; it needs to be working in order to help Kenyans. Most of the rural areas do not receive the supply of electricity and, therefore, cannot start small industries to benefit the poor people.

With regard to roads, I would like to say that, we need to do a lot more on the quality of the roads. This is because the biggest problem in this country is having low quality roads. The Government is spending a lot of money in trying to construct tarmac and rural access roads, but the quality of the work which is done does not actually go a long way with this. It has become a situation whereby the Asian constructors are guzzling the taxpayers' money through poor construction of roads. This has to be taken care of.

Mr. Temporary Deputy Speaker, Sir, I would also like to congratulate the Minister for increasing the bursary allocation for the poor students. This will go a long way to help a lot of people. But the Ministry of Education, Science and Technology should change its policy on the Government bursary scheme. The current policy actually goes with the number of students, streams, classrooms which are there. This does not actually go with the number of poor people in the country. It does not mean that, if there are more students, for example, in Murang'a or Kakamega, they are not able to pay school fees. It is actually in northern Kenya and other pastoral areas where bursaries have become a big problem. We need to look at this bursary scheme more thoroughly so that it can work well.

With these remarks, I support.

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

Agriculture is the backbone of the economy on Kenya but, unfortunately, the Government is destroying our agricultural activities day-by-day. The Government has destroyed pyrethrum farming thereby punishing the farmer. The other day, pyrethrum farmers were paid Kshs3.80 per kilogramme for their bonus. The reason we got from the Government for low payment of pyrethrum bonus was not satisfactory because we know the market price of pyrethrum which the Government gets outside Kenya. It is a fertile market and Kenya cannot satisfy the world pyrethrum market demand today. But the amount of money that goes to the farmer is so little that it discourages pyrethrum farmers. Paying a pyrethrum farmer, Kshs80 per kilogramme today is like not paying him. You are not making him put more effort in pyrethrum production. Bonus for the pyrethrum farmer used to be Kshs40 per kilogramme, but now it has gone down to Kshs3.80 per kilogramme. One wonders what the Government is doing with

the farmers' money. There was a difference of about Kshs400 million that was supposed to go to the farmers in form of bonus, but it never went to the farmers because they were paid less than what they were supposed to be paid.

This Government has no business appointing directors of the Pyrethrum Board of Kenya. Directors of the Pyrethrum Board of Kenya should be elected by the farmers themselves. It is the directors who should elect their chairman and the board should employ the staff. So, farmers do not actually know anything about the marketing of their crop and the money paid for their pyrethrum is only known by the Government because it appoints those directors.

Mr. Temporary Deputy Speaker, Sir, with regard to dairy farming, it is becoming a sad story because farmers are selling their milk at Kshs5 per litre, because the Kenya Co-operative Creameries (KCC) was also destroyed like the Pyrethrum Board of Kenya. I think it would be necessary to privatise the Pyrethrum Board of Kenya because, if it is not going to be privatised, farmers will continue to lose while a few people in the Government will continue to enjoy. I do not see the business of this Government appointing directors of the Pyrethrum Board of Kenya, and yet it is not involved in farming. It is the farmers who have every business to elect their leaders. The Government should not interfere.

It is time this Government subsidized some of the farming activities and, particularly, pyrethrum farming because these farmers work very hard. The other day, we almost had no pyrethrum in Kenya because farmers uprooted the pyrethrum crop because of the meagre funds that they were paid. Farmers are paid very little money for very hard work. So, this Government should think of, at least, a subsidy to farming. This is happening in many other countries. I do not know why it is not happening in Kenya. At least, the Government should make sure that the pyrethrum farmer "eats" from his sweat. That would only happen if the Government ensures that the pyrethrum farmer, like the tea and coffee farmer, elects his own directors.

In the year 2000, a Motion was brought to this House in the form of the PIC Report and this House approved that the Pyrethrum Board of Kenya should be privatised. I am wondering what is happening with the privatization of the Pyrethrum Board of Kenya. It is now two years down the road and nothing has happened, while pyrethrum farmers continue to be impoverished and they are not even able to pay school fees for their children. One wonders where this money is going to; instead of paying the farmer at Kshs40 per kilogramme, he is paid at Kshs3.80. There is a total difference of Kshs400 million! One wonders where this money goes to. Unless this Government wants to use this money for elections, there is no reason why the pyrethrum farmer should not be paid Kshs40 per kilogram. Why should the Government deduct money from the pyrethrum farmer and pay him to the tune of Kshs3.80 per a kilogramme, instead of Kshs40 per kilogramme? Something should be done, and this can only be addressed by privatising the Pyrethrum Board of Kenya. The Government should not have a hand at all in the Pyrethrum Board of Kenya; it is the farmers' business and they should be given a leeway to elect their directors and Board members. It is the business of the Board to employ the Managing Director and other members of staff. They should also do serious combative marketing. As things stand now, it is as if they are just selling to the old market where they used to sell before. There is need to have combative marketing so that the farmer can, at least, "eat" from his sweat. These farmers are doing a lot of work and they should be compensated for their hard work. Today, it is like the PBK belongs to the chief officers. These people actually benefit from the farmers' sweat. They reap fruits from the hard labour of pyrethrum farmers. They are actually enjoying fruits from the pyrethrum, while the poor farmers are working so hard. Therefore, something must be done about this.

Mr. Temporary Deputy Speaker, Sir, this Government also must do something about industries in this country. In Nyandarua District, we grow a lot of cabbages, carrots and onions. Why can this Government not build some factories to process these crops, just like the pineapple factory in Naivasha? The Government should at least pump some money into some of these industries so that farmers can get appropriate prices for their agricultural produce. A lot of farmers' produce is going to waste. Unless the Government thinks of building agro-industries, I really do not see how we will improve our economy. Farmers in this country are hard working, but they cannot eat from their sweat because their produce is sold very cheaply. For instance, a bag of potatoes in Nyandarua District costs as little as Kshs150. Sometimes, it is sold at Kshs200. One wonders whether the Government is really sensitive about the plight of the farmers who are not able to educate their children and meet their day-to-day needs while their sweat benefits other people.

Another example is the cashewnut factory in Kilifi. This factory was looted through and through by very senior officials of this Government and no action was taken against them. Year in, year out, the PIC and the PAC reports have revealed massive looting of parastatals but no action is taken against the individuals involved. Imagine 3,000 acres of land and a factory which is worth billions of shillings was sold at less than Kshs60 million. The individual who bought it never even paid the full amount. He paid only Kshs42 million. We should be careful about these projects. Today, the Government is watching helplessly while these projects are being destroyed and yet it will cost this country a big fortune to revive them. Farmers will not be able to sustain themselves if the industries which are

supposed to buy their produce are being sold at peanuts to some individuals in this Government. When a situation arises like the one we have in the PBK where farmers' money is being looted with impunity, our agricultural sector will collapse. Instead of farmers being paid Kshs42 for their pyrethrum, they are paid Kshs3.80 per kilogramme and yet they are not supposed to complain. If they complain, the Government comes up with all sorts of explanations. A situation like that will lead this country to the drains. Time has come when farmers should be allowed to do their business. We should revitalise farming in this country.

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

The Assistant Minister for Transport and Communications (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I have just arrived from West Africa. I am tired and weary, but thank you very much for giving me this opportunity to make a contribution to the Budget Speech which was presented by the Minister.

I must really commend the Minister and his team for a very well-structured Budget which they prepared under very difficult circumstances and conditions. We all know that donor funding is not forthcoming and there is drought in some areas of this country. In Kaloleni Constituency, for example, as I speak now, our dams do not have a single drop of water. I will be going to the Minister to ask for some funds for the purpose of providing water to my people.

Mr. Temporary Deputy Speaker, Sir, as I said, the Minister prepared this Budget under difficult conditions because prices of tea and coffee continued to suffer in the world market. So, I agree with the Minister that we really must tighten up our belts so that we can manage and run this country.

As I speak in this House, I want to appeal to all hon. Members to talk with one voice. We are in this quagmire together. It is not a question of the Opposition side saying they are a government in waiting because there is no point for them to inherit an economy that is down in quagmire. So, we better put the economy in order together.

Mr. Temporary Deputy Speaker, Sir, in view of the current constraints, I want to take this opportunity to make a number of suggestions to the Minister that will assist in the Budget aspect. One of the things I would like to mention, from the outset, is the fact that there were too many good things the Minister talked about in the Budget Speech. He promised to do this and that. If, in fact, he can fulfil all the promises as he set them out in the Budget, then we will be out of the economic quagmire.

Mr. Temporary Deputy Speaker, Sir, I would like to challenge the Minister and his team and, indeed, all of us when we go to our constituencies and DDCs, to make sure that we implement the proposals in the Budget. I know there is a monitoring committee in the Treasury. I would like this committee to polish their shoes so that they can really monitor the expenditure in this country. We want management information reports---

(Loud consultations)

Mr. Kathangu: Hoja ya nidhamu, Bw. Naibu Spika wa Muda. Je, ni haki kuwa na vikao viwili hapa? Kikao kimoja ni hiki ambacho unasimamia wewe na kingine ambacho kinaongozwa na Bw. Biwott. Hatuwezi kumsikiliza Bw. Keah kwa sababu Bw. Biwott na wenzake wanajadiliana kwa sauti ya juu. Je, ni kawaida ya Bunge hili kuwa na vikao viwili mara moja?

The Temporary Deputy Speaker (Mr. Imanyara): Bw. Kathangu, kikao ni kimoja tu hiki cha Bunge!

The Assistant Minister for Transport and Communications (Mr. Keah): Bw. Kathangu, nina mengi ya kuzungumza kuhusu Bajeti hii!

Mr. Munyasia: On a point of order, Mr. Temporary Deputy Speaker, Sir. Our Standing Orders state that once an hon. Member sets out to speak in one language, he continues with that language until the end. Did you hear Mr. Keah speak in the Kiswahili language?

The Assistant Minister for Transport and Communications (Mr. Keah): Mr. Temporary Deputy Speaker, Sir, I know the Standing Order that requires us to stick to one language. However, I was answering Mr. Kathangu who spoke in the Kiswahili language. Fire must be met by fire!

Mr. Temporary Deputy Speaker, Sir, my first point is implementation. The Minister must make sure that the Budget is implemented effectively. For us to be able to see that implementation take place, we must have management information reports just like what happens in the private sector. Therefore, I expect, not only the Ministry of Finance and Planning, but every Ministry, to produce a report. This report should also be made public. Even at the DDCs, we would like to see reports, on a quarterly basis, on how much money was budgeted, received and utilized in that district. The reasons why there are variations in the Budget implementation is because of what is happening on the ground.

I know the donor community have starved us of funds - I would like the Minister to listen - and therefore, we do not have development funding. The ratio is 84 per cent for consumption - that goes to the tummy and 16 per cent for development. We cannot have economic growth that way. The Minister should form a committee that will look into this skewed ratios in so far as consumption and development is concerned. We need money for development and maintenance. I have a suggestion to make to him: We should call the Japanese, Chinese and Koreans so that we can

adopt a policy to build, operate and transfer. This is the only way we are going to attain development in this country, because we have been waiting for the last ten years, for funds from the World Bank to revamp the Second Mzima Springs in order to provide water, but it has not come. We would now be well on our way to repaying the contractor who did a Built Operate and Transfer (BOT) if we had done it ten years ago. We should do it so that in ten to 25 years time, our children can inherit assets.

Mr. Temporary Deputy Speaker, Sir, I would like to commend the Minister for the removal of the 3 per cent customs duties on materials, but the industrialists have complained about the removal of IPO and also the warehousing restrictions. I know certain industrialists operating from my constituency, for example, Mabati Rolling Mills and Corrugated Iron Sheets, who have asked me to speak to the Minister with regard to a review of the IPO removal and warehousing restrictions. These people import steel in bulk, and are required to pay VAT at 18 per cent, causing a cash flow constraint. It should be possible for those industrialists who can prove themselves to be able to import raw materials or steel in bulk, utilise what is utilisable at this point in time. What can be retained in the factory should not be subjected to VAT. I would like to appeal to the Minister to look into these serious issues.

Mr. Temporary Deputy Speaker, Sir, with regard to poverty eradication, I am aware that we have a very small envelope in terms of poverty eradication. I would like us not to look more -this may be nomenclature - on poverty eradication, but wealth creation. For wealth creation, we must invite industries which can create employment in the rural areas. We should, therefore, remove every obstacle. When I attended a meeting in Atlanta Georgia, Andrew Young said: "The airport of Atlanta brings in virtually all the revenue that Georgia needs". Atlanta does not have shore lines, animals or any tourism sector, but they removed all the obstacles and they made Atlanta a hub. Today, 2,500 flights are landing there daily and tourists who land there, spend about US\$200 per day. We should make Nairobi a hub for this region, and also consider the area between Mombasa and the port to be utilised for purposes of tourism.

In this respect, I would like to talk about the Dongo Kundu Development. If we do not have money, we should adopt the Dongo Kundu Development on a BOT basis, as I had earlier alluded. There are groups that have been formed in the countryside for poverty eradication programmes, for example, the Village Development Committees. And we are looking for money for these groups so that they can undertake projects to alleviate poverty and create wealth.

I beg to support.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Arap- Kirui, are you moving or contributing?

The Assistant Minister for Finance and Planning (Mr. Arap- Kirui): I am contributing! Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the debate on the Minister's Budget Speech. May I first of all, take the opportunity to congratulate the Minister for a very imaginative and well presented Budget. I think it is an indication of the hard work that the Minister put in; the meticulous attention that he paid to the provisions of the Budget that he took almost an historical time of two hours to deliver the Budget Speech. I think the Minister should be highly commended.

A lot of the details that the Minister presented during his Budget Speech will be discussed during the Finance Bill debate. May I merely say that it was a very well presented Budget. But, of course, there are concerns that many Members have raised; with some raising national issues and others raising local issues. I would like to add to some of those concerns, and hope that, as we go along, we will find answers to them.

Many Members have talked about the quality of our roads. Not too long ago, we put in a mechanism of the Kenya Roads Board (KRB) and the District Roads Committees (DRCs). While the KRB is operational, there is a serious failure in the area of DRCs. They might be working in some areas, but in my district, the DRC is yet to be operational. It would seem that there might be sabotage on the part of some Government officers. I hope as we go along, we shall strengthen the controls that relate to that system.

Under the present system, we fund the KRB. But, unfortunately, the KRB does not fund the DRCs directly. Instead, it channels the funds through the Ministry of Roads and Public Works, which was an area, I believe, we had intended to by-pass and get direct access to funds at the local level. I think we should slowly move towards the situation where the DRCs are in control of their budgets, and are able to monitor the quality of work. The amount of money that we are now able to move into the districts would do a lot of work if we did not channel it through the same old channels that we were trying to avoid in the first instance.

Mr. Temporary Deputy Speaker, Sir, I have watched in my own area, where we have given directives on what should be done with the funds, but nothing has happened. In fact, I think we are reaching a situation where we will have to institute serious investigations and, maybe, direct the efforts of the Anti-Corruption Police Unit to look into that area.

Mr. Temporary Deputy Speaker, Sir, I would also like to touch briefly on the tea industry. The tea industry has been liberalised. We commend our Government for doing this but I also think, maybe, there have been some

mistakes on the road to liberalisation. As we listen to some of the Members here, we hear requests about what the Government should do; to the extent that we wonder whether the same Members who have been pushing for liberalisation have forgotten that they are, in fact, the source of some of these problems.

Mr. Temporary Deputy Speaker, Sir, I think the tea industry has been over-liberalised and if we are not very careful, it might go the same way as some of our major agricultural industries. One is the coffee industry and the other one is the cotton industry which we are now trying to revive. I think we should take steps to ensure that there is order in the tea industry. We have instances where directors have been alerted that they are supposed to rotate on an annual basis but they do not do this. Instead, the directors who were elected three years ago are still sitting comfortably in office oblivious of the requirements of the law. There should be a mechanism to ensure that these directors do, in fact, conform to the law. I believe some of the problems such as those happening in Kisii are symptoms of this intention and desire by directors, who are often uninformed on the requirements of the law, to stick to these offices. These people should be forced to rotate in accordance with the law.

Mr. Temporary Deputy Speaker, Sir, may I also suggest that due consideration be given to the quality of the directors that do get cleared to stand. The requirements are clearly for a minimum education of Form Four (KCSE) but right across the country we see many directors who do not meet these qualifications. How they went through the seal is baffling and they are the same fellows that are now tormenting the farmers who have no recourse to resolve these issues. This matter needs to be looked at and we hope that, in the very near future, a solution will be found so that we do not have a situation where we lose the tea industry like we have lost others.

Mr. Temporary Deputy Speaker, Sir, I would also urge that we take steps to go on to the next stage in our tea industry where we add value instead of selling in bulk to European and other markets such as Pakistan, Egypt and so on. It is a big shame that the value that repackagers and the blenders add, or the amount of money that they earn is several times what we Kenyans make out of our very high quality tea. In particular, I would like to urge that as we go into new markets, the older markets might be difficult initially but we should gradually blend and package our own tea here. However, particularly with regard to the new markets, may I suggest that as we go into these new markets particularly in Eastern Europe, let us not sell bulk tea to these markets. Let us start off with packaged tea so that we do not have a situation where we have to go back again and try to introduce added value tea to these markets.

Mr. Temporary Deputy Speaker Sir, may I also urge at the same time that we, as a country, should in fact work in unity, that we do not, on matters on the economy, speak in different voices. We have had to bear almost some of the directives from the Western world where we are forced to open our markets while those of the Western world are locked. Their farmers are subsidised. Their markets are closed through tariff barriers. We have said, and we should continue to say that there would have been no need for African Growth and Opportunity Act (AGOA) if the American market was liberalised. Mr. Temporary Deputy Speaker, Sir, we would not need to constantly or regularly meet as African, Caribbean, Pacific (ACP) with the European Union (EU) to negotiate if the markets in these countries were open. I think we, as Kenyans, should really wake up to the reality of our own situation and talk with one voice so that Members, particularly of the other side, are not used by some of these people who want us to open our market, but close theirs. When things get difficult, we now have a situation where the Government is being asked to do this and that, when the same people were urging us to open our market, and that the Government should get out of business. We are being urged every now and again to do this and that on markets that we know have already been opened. We should look at this, again, very closely.

Mr. Temporary Deputy Speaker, Sir, on the issue of the constitutional review, some of us have said, and continue to say, that we should be honest and call a spade a spade. Where there is an impossibility, I think we should stand up as leaders and be counted as such instead of dogging issues and going round collecting signatures. I wonder what these signatures are meant to do. Are they meant to avoid the reality of the situation; that we do not have time to complete the review? Mr. Temporary Deputy Speaker, Sir, if we do not have time to complete the review, many of us are ready and willing to go to the elections tomorrow. With those few remarks, I beg to support.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! It is now time for the interruption of business. Therefore, the House stands adjourned until tomorrow, Thursday, 27th June, at 2.30 p.m.
The House rose at 6.30 p.m.