

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 15th June, 2005

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

NOTICES OF MOTIONS

A BILL TO ENTRENCH KACC IN THE CONSTITUTION

Mr. Mukiri: 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 Constitution of Kenya (Amendment) Bill 2005 to amend section 26(c) of the Constitution and to introduce---

*(Mr. Mukiri went to consult
the Clerk-at-the-Table)*

Mr. Deputy Speaker: Order, Mr. Mukiri! Have you cleared what you are trying to do with the Clerk-at-the-Table?

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

Mr. Deputy Speaker: Okay. However, we do not seem to hear you well. I know you are short but try to speak to the microphone. Start all over again.

Mr. Mukiri: 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 Constitution of Kenya (Amendment) Bill 2005 to amend Section 26(c) of the Constitution and to introduce Section 26(a) for the purpose of entrenching the Kenya Anti-Corruption Commission in the Constitution and for matters incidental thereto and connected therewith.

KENYA'S POSITION ON NON-SURRENDER BILATERAL AGREEMENT

Mr. Muite: Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:- THAT, in view of the fact that Kenya ratified the International Criminal Code Treaty, also referred to as the Rome Treaty, on 15th March, 2005; concerned that the United

States of America has refused to sign that Treaty and has further sought to coerce countries, including Kenya, to sign the Non-Surrender Bilateral Agreement, also called Article 98 Agreement; this House expresses its abhorrence to the conduct of the USA in refusing to ratify the International Criminal Code Treaty (The Rome Treaty) and its attempts to coerce countries to sign the Non-Surrender Bilateral Agreement at the risk of curtailment of military and other economic aid and assistance; and calls on the Government of the Republic of Kenya not to sign the Non-Surrender Bilateral Agreement; and further expresses its solidarity with the Government and the people of Kenya on the stand that Kenya's sovereignty and dignity must come first ahead of military support and aid from any quarters whatsoever.

(Applause)

QUESTION BY PRIVATE NOTICE

ATTACK ON CHEPARERIA VILLAGE BY SECURITY OFFICERS

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

(a) Is the Minister aware that on the morning of Saturday, 7th May, 2005, some security officers in West Pokot attacked Chepareria Village and caned, raped, looted and harassed the residents of the area?

(b) Could he inform the House the reasons behind the attack on the unarmed villagers?

(c) What immediate steps will he take to ensure that money and other personal effects, which were forcefully taken are returned to the owners?

(d) What measures has the Minister taken against those officers who were behind the attack?

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

(a) A security operation was conducted in Chepareria on 6th and 7th May, 2005. I am not aware, however, that any incident of rape, looting or harassment by the officers during the operation took place. Complaint reports were received from the hon. Member in respect of the operation. It is being investigated.

(b) This was a security operation and not an attack on the residents of Chepareria. The purpose was to retrieve illegal firearms and arrest highway robbers believed to be using the area as their operation base.

(c) Investigations in the complaint are under way to establish whether any money or property was taken from the residents.

(d) An inquiry file No.1 of 2005 has been opened to facilitate investigation as to whether any offence was committed during the operation. Any officer found to have violated the law will be prosecuted.

Mr. Moroto: Mr. Deputy Speaker, Sir, several operations have been carried out in West Pokot. We, therefore, understand how an operation is carried out. The Assistant Minister is denying that this was an attack but an operation. Normally, when an operation is to be carried out, warnings must be given. The DC and his security team hold *barazas* to warn people to surrender illegal firearms. How many meetings were held in Chepareria Town and how many guns were retrieved during this operation?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, first, I would like to thank the residents of West

Pokot, Samburu, Turkana and Baringo for their co-operation with our security agencies in surrendering illegal guns. At the close of the day yesterday, 1,900 guns had been voluntarily surrendered to our forces. We commend them for that effort. We are encouraging the residents to co-operate with the police in the area. We have the Armed Forces who were trying to carry out development projects like construction of roads and sinking of dams for them and in return we expect their co-operation. There is no intention to hurt any person whatsoever.

Mr. Rotino: Mr. Deputy Speaker, Sir, on Saturday, 7th May, 2005, at 10.00 a.m., I personally visited Chepareria when I heard about the complaint. I met a lot of people who were complaining. I took six people whose property and money was looted by soldiers to Kapenguria Police Station. At 12.00 p.m. I met the Officer Commanding Station (OCS) in charge of Kapenguria Police Station and the people recorded statements. They were told to go back to Kapenguria Police Station on Monday. They went and recorded the statements. However, up to now, nothing has taken place. One of the people claimed that Kshs20,000 was taken from him and he recorded a statement in my presence. What steps has the Ministry taken from 6th May, 2005?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, I said that an inquiry file has been opened so as to receive evidence of the offence. However, allegations of caning would require complainants to fill in P-3 Forms, be examined by a doctor and then return the Forms to the police. Action cannot be taken instantly before the return of a P-3 Form to the police. Allegations of rape would equally require medical evidence in its support. As soon as we receive evidence, we will be able to prosecute the appropriate offenders

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

Mr. Deputy Speaker: No; let us get somebody else to ask a question.

Dr. Khalwale: Mr. Deputy Speaker, Sir, the Assistant Minister has told us that he is carrying out investigations to make sure that money taken from the victims is returned to its owners. We will wait to see that done. But, my question is; how is he going to return the virginity of the innocent girls, who were raped by these people?

Laughter

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, the hon. Member for Ikolomani is a medical doctor, and is well aware that what he is asking me to confirm is not medically possible. As I have said very firmly, we are not aware of any particular girl in that area having been raped. But as soon as we get evidence of rape and identify officers alleged to have committed this offence, we will take appropriate action.

Mr. Muite: Mr. Deputy Speaker, Sir, one problem that this country is facing is the acquittal of police and other security officers who commit crime. We rely on the same people to investigate themselves. Could the Assistant Minister tell this House whether there are plans by his Ministry to set up an independent unit to carry out impartial and independent investigations against police officers who are accused of wrong doing?

Mr. Deputy Speaker: Mr. Assistant Minister, the question raised by hon. Muite has been asked very many times. For example, what hon. Rotino is saying is that the same people who conducted an operation in that area are the same investigating the alleged offenses. Could you, clarify this matter once and for all?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, it is true that the report was made to the same police station. But the forces that are on the ground are not stationed there. Police officers from another province are carrying out the operation, and investigations are being carried out by officers from the Criminal Investigations Department headquarters and not by officers in that area.

Mr. Deputy Speaker: I have to go

to the last question to allow time for other Questions. Therefore, Mr. Moroto can ask the last question.

Mr. Moroto: Mr. Deputy Speaker, Sir, this Question is very important. I am not satisfied with the answer given by the Assistant Minister. I beg to inform the House that security forces conducted operations in Chepareria town and not other villages. They went as far attacking a pastor, who was not a Pokot but a Luhya. An identification parade was conducted and those people who had lost their money and mobile phones identified the officers who had taken their property. Now, the Assistant Minister is denying that there was an attack on the unarmed villagers. He says it was a normal operation. Could he order for the arrest of those involved in the attack?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, I wish to make it very clear that all Kenyans, regardless of their ethnic affiliation, are entitled to the protection of the law. Whether they are Pokots or Luhyas, there are no lesser human beings before the law.

Mr. Deputy Speaker, three persons were arrested on suspicion of committing robbery and have recorded statements. Some of them have been released. A Godffrey Barasa was arrested and asked to report back to the police to show evidence of items found in his possession. He was bonded to appear again before the police but he absconded. He is still at large, but we are looking for him. The second person, Mariko Barasa, was arraigned before a court on a petty offence and was fined Kshs200. The last person, Julius Kamaraitondo, is suspected to be a high way robber and is still under investigation

ORAL ANSWERS TO QUESTIONS

Question No.426

FOREIGN CURRENCY RESERVES HELD IN DOMICILIARY ACCOUNTS ABROAD

Mr. Deputy Speaker: Mr. Billow is absent; so, this Question is dropped.

(Question Dropped)

Next Question by Mr. J. K. Kilonzo.

Question No.434

INCREMENT IN HELB LOANS

Mr. J.K. Kilonzo asked the Minister for Education, Science and Technology:-

- (a) whether he is aware that the cost of education in Kenyan universities has drastically risen but this has not been matched by loan awards from the Higher Education Loans Board (HELB); and,
- (b) what steps he will take to ensure that the loans awarded by HELB to needy students correspond to the increase in the cost of university education.

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

(a) I am aware that the cost of education for Government-sponsored- regular students has increased by between Kshs3,000 and Kshs15,000, mainly to cover administrative and statutory expenses. These include examination, caution and activity fees. I am also aware that the cost of

self-sponsored programmes has increased by between Kshs14,000 and Kshs40,000. However, the fees were reviewed to match the cost of facilities and learning materials.

(b) The loans awarded to students by HELB have not been increased to match rising cost because of budgetary constraints. We have asked the Treasury for more money, and this year we have asked for

Ksh50 million more for loans. HELB has also been very aggressive in recovering past loans, and some of that money is used to support students.

Mr. J.K. Kilonzo: Mr. Deputy Speaker, Sir, I beg to request the Assistant Minister to give me a copy of that written reply. I would also like him to tell this House the criteria they use to select students for loans and how they vary the loan amounts?

Dr. Mwiria: Mr. Deputy Speaker, Sir, there is a vigorous process of identifying needy students, which includes their completing forms, which are also checked by chiefs and school headteachers. We also check income of parents before arriving at how much to allocate to a student.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, the forms to be completed for loans are so long-winded and complex that many children from rural areas miss loans, because they are unable to fill them in correctly. I wish to tell the House that HELB has been collecting money for a long time but, to my surprise, it has not invested it in order to make more money. Could the Assistant Minister tell us when he will start making arrangements to enable parallel-degree students access loans like their fellow private university students?

Dr. Mwiria: Mr. Speaker, Sir, the loan application form is detailed because we require as much information as possible. But I doubt that it is so complex that a potential university student will be unable to complete it. However, if we have to modify it to make it much easier for students to understand, we will do that.

The parallel-degree programmes were started partly to generate income for universities. There are many students under this programme. We are exploring possibilities of getting commercial loans for them. Parallel-degree students who qualify for admission under the Joint Admission Board criteria, but who go for a parallel degree, will be entitled to HELB loans.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Assistant Minister says that they have increased the fees for regular students by about Kshs15,000 and Kshs40,000 for the parallel degree programmes. How could the Ministry increase these fees when, in fact, they know that the number of Kenyans who live below the poverty line has increased from 3 per cent to 63 per cent in the last three years?

Dr. Mwiria: Mr. Deputy Speaker, Sir, the amounts are not extremely substantial. First of all, let us remember that those students who register for parallel degree programmes do so because they have the ability to pay. So, they are able to pay that. Now, an increase of Kshs15,000 from Kshs3,000 for an administrative course covers examination, caution money and so on. I think this increase is minimum compared to the rising cost of managing some of the functions of university education.

Mr. J. K. Kilonzo: Mr. Deputy Speaker, Sir, given that the Assistant Minister has already confirmed that there has been an increment in the school fees and yet HELB has not taken that into account, I appeal to him that in order to have concurrence in terms of the increment of fees and the loans which have been disbursed by HELB, could this increment be suspended until such a time that the Kshs60 million which the Ministry has asked for is given so as to enable to cushion the students against that given increment?

Dr. Mwiria: Mr. Deputy Speaker, Sir, first of all, universities are autonomous and independent in terms of deciding on what kind of charges they have to ask for and how to use those resources. Secondly, these are administrative courses. They have nothing to do with the amount of money that is going to support the students. Thirdly, I would like to say that we also will have to put other measures in place including ensuring that the students that actually benefit from university loans

are, in fact, the most needy. As of now, more than 95 per cent of the students in our public universities get loans but it is not quite clear that all of them are that needy.

Mr. Deputy Speaker: Next Question by Mr. Ojaamong!

Question No.163

DIVISION OF ASSETS BETWEEN TESO/BUSIA
COUNTY COUNCILS

Mr. Ojaamong asked the Minister for Local Government:-

- (a) whether he is aware that when Teso County Council was curved from Busia County Council, the assets were not shared between the two councils;
- (b) when he will effect the division of assets between the two councils; and,
- (c) whether he is further aware that there are former employees of Busia County Council sent to Teso County Council who have not been assigned any duties.

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

(a) Yes, I am aware that when Teso County Council was curved out of Busia County Council, assets were not shared between the two councils.

(b) The division of assets and liabilities was programmed to be done between the 9th and 15th January, 2005 but was postponed due to logistical problems.

(c) Yes, I am aware that there are former employees of Busia County Council sent to Teso County Council who have not been assigned duties but my Ministry has directed the Clerk of Teso County Council to immediately assign those employees duties pending the division of assets and liabilities.

Mr. Ojaamong: Mr. Deputy Speaker, Sir, in part "b" of his answer, the Assistant Minister admits that the programme was postponed from January. When will it now be effected?

Mr. Tarus: Mr. Deputy Speaker, Sir, I said that the programme was postponed due to logistical problems and one of the reasons for that was the impending reforms in the Ministry of Local Government which also touches on evaluation of the viability of some of the local authorities. So, the hon. Member will still have to wait but not for too long.

Mr. Ojaamong: Mr. Deputy Speaker, Sir, could the Assistant Minister give me a picture of the assets and their values?

Mr. Tarus: Mr. Deputy Speaker, Sir, the assets list will be given during the discussion by the committee appointed by the Ministry. So, it is premature to give that list of the assets now.

Mr. Deputy Speaker: Next Question by Ms. Mbarire!

Question No.142

GOVERNMENT POSITION
ON YOUTH WELFARE

Mr. Deputy Speaker: Ms. Mbarire is not here. The Question is dropped.

(Question dropped)

Next Question buy Mr. C. Kilonzo!

Question No.213

TERMINAL DUES FOR MR. WAMBUA

Mr. C. Kilonzo asked
the Minister for Labour and Human Resource Development:-

- (a) why Mr. Dominic Wambua was declared redundant by Bidco Oil Refinery after 11 years of employment;
- (b) why the Labour Office in Thika stopped handling the case; and,
- (c) when Mr. Wambua will be paid his terminal dues.

Mr. Deputy Speaker: The Minister for Labour and Human Resource Development is not here. I think we have a problem with this Ministry because yesterday I had to defer a Question directed to this Ministry. I direct that this Question be deferred to tomorrow afternoon. Mr. M. Kariuki, the Assistant Minister, Office of the President, please inform the Leader of Government Business that I have again deferred a Question directed to the Ministry of Labour and Human Resources Development and that he ensures it appears on tomorrow's Order Paper and is answered.

The Assistant Minister, Office of the President (Mr. M. Kariuki): Mr. Deputy Speaker, Sir, I will inform him accordingly.

POINT OF ORDER

RISING INSECURITY IN KITUI DISTRICT

Mr. J.K. Kilonzo: Mr. Deputy Speaker, Sir, I rise to seek a Ministerial Statement from the Minister of State, Office of the President in charge of internal security on the recent escalation of armed robbery in Kitui District and particularly in Kitui Town which culminated into the killing of a prominent businessman called Mr. Kyambi Muithya last week. I want the Minister to tell us the motive of this killing in broad daylight. I also want him to tell us what action he is taking to ensure that the situation is controlled in the district. Lastly, I want him to tell me what action he is taking against policemen who have served in Kitui Police Station for over 15 years and who are suspected to have contributed to this current situation.

The Assistant Minister, Office of the President (Mr. M. Kariuki): Mr. Deputy Speaker, Sir, the question of the motive will be a matter of investigation in the murder file, but I will be able to issue a Ministerial Statement on the security situation within Kitui District on Tuesday next week.

Mr. Deputy Speaker: Next Order!

COMMITTEE OF WAYS AND MEANS

(Order for Committee Read)

MOTION

THAT MR. SPEAKER DO NOW
LEAVE THE CHAIR

(The Minister for Finance on 8.6.2005)

(Resumption of Debate)

interrupted on 14.6.2005)

(Third Day of Budget Debate)

Mr. Maore: Mr. Deputy Speaker, Sir, thank you for granting me the opportunity to contribute to this year's Financial Statement. As we have all applauded the Budget, it was able to balance a lot of figures but we need the Government to explain why they gave Kenyans false statistics regarding the growth of the economy by 4.3 per cent and yet the poverty statistics indicate that Kenyans are living below the poverty line by larger percentages than any other time in our country's history. To drift from 63 per cent to 3 per cent within 36 months is a very serious statistic and the Minister for Planning and National Development owes this country an explanation on why he is providing false statistics.

Mr. Deputy Speaker, Sir, there is a very strong link between corruption and nepotism in this Government. When we have corruption, nepotism and tribalism linked together, then the country is not moving in the right direction. I have said here on very many occasions that for somebody to be a parastatal chief or chief executive, he or she must be related to the Minister who appoints them. We can name all the parastatal chiefs and Ministers who are linked to this practice and this is the genesis of nepotism, inefficiency and ineptitude in our public service. This is because you have your cronies or relatives stuffed in your parastatal. They are bound to violate the procedures on procurement and recruitment. It has to go through the ritual of the Efficiency Monitoring Unit or handing over to the Controller and Auditor-General, then the Director of the Kenya Anti-Corruption Commission. We thought that the NARC Government would not engage in such a circus. They have surprised us, that upon entering office, they chose not to clean the land, but to fatten themselves on the fruits of the land.

Mr. Deputy Speaker, Sir, while they fatten themselves on the fruits of the land; in corruption through procurement and recruiting their relatives and friends into the Public Service, today this country is crying for an *ombudsman*, where we can go to complain, because we feel that the anti-corruption institutions being set up are merely public relations gimmicks to get money from donors and to deceive the public that all is well.

I was taken aback when one of the heads of a parastatal was being questioned by one arm of Government and another arm of the same Government was defending him. Meanwhile a gang of politicians were screaming all over that: *Watu wetu wanamalizwa*. We thought these were the bad manners you people were blaming on KANU when you were in the Opposition. It appears now the NARC Government has been infected by the same virus. I can assure you that you are doomed to the same route, come 2007.

Mr. Deputy Speaker, Sir, corruption manifests itself in its worst form when the ordinary citizen is subjected to it on a daily basis. As we speak, the policemen in Maua Police Station are dispersed all over the district to pretend to man traffic on the road, but the only job they have been doing for seven days a week including, Sundays is to extort money. They are very brazen, because they claim that nowadays if you are caught, you are either sacked or prosecuted. For that reason, the premium has gone from Kshs50 to Kshs500. All the Land Rovers and other vehicles that ferry *miraa*, must pay Kshs500 as they enter Maua Town, otherwise they will not be allowed past the road block.

Mr. Deputy Speaker, Sir, we understand this money is shared among the police who collect the money and the base commander. They even share this money with their other bosses. These are things that citizens witness in the streets everyday. When you lie to them on radio and television that you have zero-tolerance to corruption, they laugh at you. We are talking of corruption permeating to the grassroots. Once it has gone to the grassroots, even when the top bosses are engaged in it, they cannot hide any more.

Mr. Deputy Speaker, Sir, during the first 15 months when the NARC Government came into

power, corruption had gone to very low levels because Kenyans believed that there was genuine concern to stamp it out. People wanted to take a back seat and watch. The corruption statistics were very low. According to the survey on corruption carried out by Transparency International, the corruption index has gone down by 10 per cent in the last 12 months. The reason for this is that, Kenyans have realised that the ceremony that had been assembled by the NARC Government, purporting to be animals with horns only, that the glue that was used to fix the false horns or the wax has now melted. That is why we are where we are.

Mr. Deputy Speaker, Sir, another issue we need to take note of is that, when we reorganise the society, it takes more than statements. It takes institutions that can be respected. We have a society that is emerging which has no respect for human life and other people's property. When we talk of armed robbers, rapists, murderers, our statutes have been very clear since Independence. They clearly state how we should treat societal misfits. However, it does not help when lobbyists who come from Europe or the USA start telling us that we should expunge the death penalty from our statutes.

Our society has not reached the stage where you can have religious sermons and prayers for murderers. We need to hang them. When we stop hanging them and start preaching to them, we are losing the country. Kenyans will not feel safe under the hands of this Government if for whatever reason, excuse or lobbying, they attempt to remove the death sentence from our statutes in order to please the international human rights lobbying activists.

Mr. Deputy Speaker, Sir, everyday we see a lot of victims of violence. We never hear a message of condolence from the Kenya Human Rights Commission to the families of the bereaved or even an attempt to seek compensation. When we want to enforce law and order, we should not invite priests into the Government. Let us have men and women strong enough to enforce law and order and leave the preaching to preachers and priests on Sunday. That way, we will get the criminals off our midst and hang them with a very high density rope so that they do not get out of it.

Thank you.

The Assistant Minister, Office of the President (Mr. M. Kariuki): Thank you, Mr. Deputy Speaker, Sir. I would like to support the Budget Speech that was read by the Minister for Finance.

For two-and-half years, contrary to what hon. Maore said, I think we have made tremendous progress. We inherited what I would call a poisoned chalice; an economy that had been ruined with institutionalised corruption. We have been able to create a legal framework which has brought some difference. We have also seen some change of attitude on the part of Kenyans. The situation is not as desperate as hon. Maore put it because we have already made good progress. Before, that is, two-and-half years ago, the rate of growth of our Gross Domestic Product (GDP) was 0.4 per cent. Today, it is 4.3 per cent and I think that is not too bad. Despite pessimism about the figures, we are still below the average GDP for Africa which is 4.6 per cent. We know of countries in Africa which have made tremendous economic growth mainly because of mineral exploration, particularly, oil which has made a great difference.

Last year, the fastest growing economy was that of Chad which had a GDP of 39.9 per cent. That was as a result of discovery of oil deposits. We are still below the average GDP for Africa which is 4.6 per cent. However, I think, we can do much better as an economy. There is hope because the two previous Budget Speeches that have been read in this House are beginning to bear fruit.

Mr. Deputy Speaker, Sir, I would like to caution Kenyans against having too much faith in GDP figures. What Kenyans have not been told is whether those GDP growth rates also reflect the levels of poverty of our people. That is the most important indicator in development. With regard to GDP, money could only be going to the same pockets that already had money. However, when you look at the poverty index levels and ascertain whether they are going up or down, you will be able to judge an economy. We have seen several economies, particularly in Latin America, which have shown tremendous GDP growth up to 10 per cent, but poverty levels in those countries have continued to

increase at a higher rate than the GDP. We need to do some soul-searching and find out why we have this discrepancy; that is, a high GDP and yet much higher poverty levels. We need to bridge the gap between the rich and poor if we really need our people to enjoy the fruits of a high GDP. However, for as long as we maintain the *status quo*, we are not likely to make a difference at the end of the day.

Mr. Deputy Speaker, Sir, people develop when they have money in their pockets. It is then that they put money into circulation by buying goods and services. That is why there is need to ensure that money percolates to the grassroots.

I would like to appreciate the initiative taken by the Minister in putting more money in the health sector. That means reducing the burden of the health bill on the poor people of this country. Raising the levels of exemption of taxes for mortgages to Kshs150,000 is a move targeting the poor people of this country.

In agriculture, the move to remove taxes levied on inputs will go a long way in alleviating poverty. More importantly, and arising from the Customs Union of East Africa, we have been able to bring down the taxes that were being levied on *mitumba*. We know we are required to protect our cotton industry, but at the same time we have to balance the two aspects.

The basic human rights include the right to shelter, clothing and food. If we can strive to improve our agricultural sector to ensure that our people get food; subsidise housing to ensure that poor people live in good houses; and ensure that people afford good clothing, we would have met the most basic and minimum requirement in terms of human rights.

Mr. Deputy Speaker, Sir, I am concerned about the Development Vote that is in this year's Budget, that is, a net of Kshs69.9 billion. If we have to attain a crossing level; where we could say that we are now on board as far as development is concerned, we do not need to allocate less than Kshs100 billion for the purpose of development. If we really need to achieve our economic growth target of seven per cent by 2007, then the Development Vote should not be less than a net of Kshs100 billion. The current amount of Kshs69.9 billion is encouraging because it is higher than the previous one of Kshs50 billion. However, we need to do much more if we need to meet the expectations of Kenyans of attaining a GDP of seven per cent by 2007.

There is a lot of talk all over the world, more particularly by the donor countries who will be meeting in Scotland soon. The G8 group of States will be meeting to discuss debt relief. The so-called debts that we allege to owe the countries in the West, should be written off altogether. Countries from the West actually owe us an apology because it is donors from the West who promoted single-party rules and dictatorship; both civilian and military, on this continent because of the cold war. Their principal interest was to preserve capitalism. They never cared whether there was democracy or not in a country. All they wanted was loyalty from the developing countries and for that reason they gave out loans. The money was misused by dictatorial rulers that existed here in Africa. How come now we are being told to account for that money?

Mr. Deputy Speaker, Sir, I recall that during that time and even now, companies from the West would take up contracts in African countries. For example, if it was a water project, they would say: "We have given you so much money, but our company is going to carry out the work". They would then get all the materials, for instance pipes and so on. I have in mind a number of French companies that have carried out water projects in this country. Instead of sourcing materials locally from those who make pipes and other materials related to water works, they import all the materials from their country because they want to protect their economy. In that event our domestic economies continue to suffer. If they import pipes and yet they can be obtained cheaply, that domestic industry could easily close. That is the nature of our relationship with the donors; we have not benefitted at all. At the end of the day, those who benefit are their people because the money they make goes back to their economies. We use their experts who in turn get paid with the money that comes with the aid. It is, therefore, high time we reviewed our position as developing countries. We need to look across the

world and see the countries that were once developing and are now in the first world. What paths did they follow?

Look at Japan! It never followed anybody's precedent. They had to use their own ingenuity and language. The irony of development is that no country has been able to develop into a first world by using the culture and language of another country. Look at Japan, China, South Korea, India and so on. They have all moved forward using their own cultures and languages. That is something that we need to appreciate. We cannot continue to copy ideas from other countries. We need to be ingenuous and put our interests first if we need to move into the first world. It is time for Africa to review its position especially with regard to its relationship with donors. Even if the debts are waived tomorrow and we continue to beg more and more, we shall find ourselves in bondage once again. We must think of a new relationship where we are able to negotiate our position to ensure our independence. We need not continue to beg now and again.

Mr. Deputy Speaker, Sir, it is encouraging that the Minister has taken a bold step by saying that we require a Budget which will enable us to rely on our own resources. If there is anybody with goodwill who wishes to give out money to projects that we are carrying out, the doors remain open for them. Kenya is on the right track and we should not be discouraged. However, it is unfortunate that in this region, we are the only country that was denied debt relief. Other countries like Tanzania, Uganda, Rwanda and Ethiopia were given a debt relief. The signal is that since we are trying to be as independent as possible, then we should get some bashing from the West. I think we are on course and we must have confidence in our own policies and be determined to move forward. A country that is not independent in terms of policies, management of its economy and providing services to the people is not truly an independent country.

Mr. Deputy Speaker, Sir, as the G8 countries meet in Scotland next month, our message to them is that we are now coming to the end of the road and we have an equal relationship in terms of development. We want development partners who appreciate our independence and not those who use money to dictate policies to us. The conditionalities that come with loans; both from the bilateral and multilateral donors, for instance, the unholy trinity of International Monetary Fund (IMF), World Trade Organisation (WTO) and the World Bank---

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

Mr. Sambu: Thank you, Mr. Deputy Speaker, Sir, for according me this opportunity to contribute to this year's Budget Speech. First of all, in discussing this Budget, I would like to focus on the issue of loan repayments by the Government. We know that a substantial amount of our national income goes towards servicing foreign loans. When other African countries' debts were cancelled, Kenya was left out. Why? Mr. M. Kariuki, who has just contributed to this Motion, talked a lot about the issue of dictatorship by the West. I wish the Leader of Government Business was here, to tell us why we were left out. This is no longer the KANU Government, which we would blame for this and that. We are now in 2005; three years down the line after KANU relinquished power to the NARC Government. This Government promised Kenyans a host of things, including the fact that Kenya would get a debt relief from donors. So, we should be sincere with ourselves. Today, there is a function in one of the embassies, and we have been invited. If I get the opportunity I will ask the ambassador why Kenya's foreign debt was not cancelled. Was it because of corruption? If so, is this corruption by those in KANU, or those in the current Government? Kenyans should not be punished for the mistakes of the past rulers. I know donors can only punish us for crimes being committed now. So, we are not being told the truth. We are being told half the truth. There is more to it than meets the eye. I see my friend, Mr. Katuku, smiling. This is because he knows why our debt was not cancelled. There is a reason. As I said, the reason has nothing to do with the previous regime, but it has all to do with this current regime. The Government should tell Kenyans what happened. The yearly loan repayments carry a substantial amount of our revenue.

Mr. Deputy Speaker, Sir, the Budget was said to be poor people-friendly. What is the meaning of zero-rating or VAT exemption? For example, kerosene was exempted from all those taxes. However, the price of kerosene, which many Kenyans use for lighting their lamps, has not been reduced. In fact, if you have watched the news recently on television, shopkeepers declined to reduce the prices of essential commodities as proposed by the Minister. How come the Government says one thing and the shopkeepers, who operate on Government licences, have the audacity to openly state to the Press that they will not reduce prices? There will be a major story to be told come the next General next Elections in 2007. That huge crowd that was at Uhuru Park, when this Government was being ushered in with songs of praise, will be doing something else. This is because this Government is not telling them the truth. I do not care whether that crowd will be singing praises for KANU or not, but let them know the truth and nothing, but the truth. As Jesus Christ told us; if we know Him we know the truth. Let us know the truth, so that we shall be free. We cannot be free in our minds and soul when we say something that we purport to be the truth, but it is not. Therefore, Kenyans need to be told the true position on the prices of kerosene and other commodities.

Mr. Deputy Speaker, Sir, on education, we are being told that our children are now enjoying free primary school education. I would like to assure this House that this is not the case. We all know that parents do not buy desks and other equipment, but our schools do not have them. Therefore, I would like the Minister for Education, Science and Technology to ensure that his officers get to know the requirements of every primary school and include this in the Budget and ensure that these things are given to schools. One primary school teacher is teaching a class of about 70 to 80 pupils. The teacher cannot even mark the students' work. If for example, a teacher is teaching about six lessons and each class has about 80 pupils, those are about 480 exercise books that he is supposed mark every evening. That teacher cannot handle that workload. Let us employ more primary and secondary school teachers.

On employment, if this Government brags of creating job opportunities, for example 484,000 jobs, it should be ready to publish them in our local dailies; sector by sector. What is so difficult in publishing them in the newspapers? For example, they can tell us that in the horticulture sub-

[Mr. Sambu]

sector, flower farms in Naivasha employed this number of people within this period. They should not just talk of figures which we cannot publish. If they do not do so, Kenyans will definitely know that the Government is not telling us the truth.

Mr. Deputy Speaker, Sir, students who enrol to pursue parallel degree programmes do not get any support at all from the Government. We all know that loans from the Higher Education Loans Board (HELB) are repayable. Why are some Kenyan students, for example those studying under the parallel programme and those who missed enrolling in the regular programme by one point, denied these loans? This is a very discriminatory Government. I will stand up and tell the youth of Kenya that: "This Government does not want you. First of all, the entry points to the university were raised. Secondly, they denied you HELB loans." Why do you deny a young Kenyan a loan, and not bursary?

Mr. Deputy Speaker, Sir, I come from a farming community which relies on farm inputs such as DAP, Urea and Ammonia, among others. We are told that fertilizer is zero-rated. This is not true. Fertilizer prices have gone up. That is why in the ASAL areas people are starving because it is almost impossible to grow maize in the highlands. We have to be sincere. I would like to request the Government to disburse funds to the Agricultural Finance Corporation (AFC), so that our farmers can borrow money from them. This is the only way our farmers will be able to produce food for Kenyans.

Mr. Deputy Speaker, Sir, the cost of energy is going up. Why do we allow Kenya Power and Lighting (KPLC) to have a differential charge on the units of electricity used? Why is a unit of a kilowatt in Woodley, Kileleshwa or other high cost residential areas more expensive? That is a crime because the value of a kilowatt should apply all over at the same rate. I will ask one question as I come

to a conclusion: Why is it that we cannot put up more power stations in Western Kenya, for instance at the Nzoia and Yala rivers and even at Lake Victoria where water flows throughout the year? Why can we not listen to the call by people living in Eastern Kenya and produce more Hydro-electric power cheaply and even building material? If this Government wants to make a difference, then it has to be sincere with Kenyans. It should not employ people who are 65 years old and refer to them as the youth. The youth should tell the Government that 65-year-olds do not belong to the youth group.

Dr. Ojiambo: Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to congratulate the Minister for Finance for giving Kenyans a Budget that has restored confidence in them. The Budget Speech has encouraged them to work hard. I want to disagree with my colleagues who are calling the Budget a flop because people need to be given hope. Even when a situation is difficult, it is good to hope that something good will come up. The Finance Minister did a good job in showing Kenyans the way forward and encouraging them to work hard because good things do not come easily.

Considering the situation where this country has been in the last two years, it is good that we are seeing positive changes in our economic growth. I want to thank the Finance Minister for starting work on stalled projects. I was happy, while I drove on Thika Road, to see that the National Youth Service (NYS) buildings, where the construction works had stalled, are now complete and are being used. That had been an eye sore to Kenyans for a long time. A lot of money had been invested in them and so, are the Nyanza Provincial Headquarters. We want to give credit where it is due. That is a good job done!

I noted that, in this financial year, the Minister has put aside Kshs2 billion for renovation of stalled projects. I want to encourage him to use the money to complete several Nyayo Ward Projects that had been started. I also want to encourage him to ensure that this money goes to dispensaries, and particularly health centres where there are wards for children and mothers, so that maternity units are introduced in rural health centres. This would enable mothers have access to decent health centres and get inpatient and outpatient facilities close to them. Maternal mortality rate is still very high. We cannot allow mothers to die from causes of reproductive nature. It is the responsibility of the Government to assist mothers to bring up children in this country under a favourable environment.

I want to congratulate the Minister for the many development projects he has started and, particularly, in encouraging cotton, coffee and tea farmers to improve their crops. I was happy to see an increase of the allocation to the Ministry of Agricultural Vote and more so, the Kshs250 million being put aside so as to encourage cotton farmers. I know that this is little money. Nevertheless, something is better than nothing. I want to continue to emphasise on the importance of the cotton crop in this country. We will, therefore, continue to ask the Minister for Finance to increase the allocations for this sector so that this country can be self-sufficient in terms of cotton production. Many Kenyans, in all the provinces, can grow cotton and overcome many problems related to clothing that they face as they wait for *mitumba* to come into this country. We could use our own fibre to produce cotton and manufacture our own clothes. We want to encourage cotton farmers by increasing their budgetary allocation. We should use this opportunity to appeal to the Minister for Trade and Industry to encourage the renovation of stalled ginneries so that farmers can access and use them.

I want to say one word to hon. Members who are in the Government. A lot is being done for the *mwananchi*, particularly through the CDF. Kenyans are now realising that money is trickling down to them and are preparing the ground for economic growth. Hon. Members are utilising CDF money to improve education facilities for their children.

We must congratulate the Ministry of Education, Science and Technology for its emphasis on the implementation of the free primary education. Our children are at least going to school. For parents, when their children go to school and learn something little, it is better than nothing. It is better than having children staying at home because anything can happen to them. The children can burn in

their parents' houses as we have seen it happening of late. The rate of children dying in houses as a result of fire is increasing. This is abhorrent and must be stopped. As we encourage parents to take their children to school, it is good that public facilities be open so that they can play and be away from danger. The Government of NARC should put more effort in encouraging peace in homes by working with *wananchi* on environmental issues.

There are many things we have seen happening, such as hawkers being chased out of the streets, forest dwellers and those people who have been living in unplanned settlement areas being evicted in a crude manner. We need to encourage the police, land officers and those in local authorities, while handling Kenyans, to do it peacefully and in a friendly way that considers Kenyans as human beings. We often feel saddened when we see hawkers being dragged in the streets, their goods being scattered, squatters being chased and houses being demolished. We see children and their mothers being thrown out in the cold. This habit has to stop. Children who are being thrown out in the streets are the ones who will grow up to become leaders and find themselves in this House one day. This Government is causing a lot of disenchantment. I want to call upon those concerned in the Ministries of Lands and Settlement, Local Government and the Office of the President, to look into the aspect of handling Kenyans well as we improve on facilities to encourage them to participate in development and support the Government that takes care of them.

Mr. Deputy Speaker, Sir, I would like to say something about the energy sector. The energy sector has contributed a lot towards the inability of our people to contribute positively towards the economic development of this country. The energy sector has been blamed for that. I want to add my voice to that blame. For instance, last year, we told our people to apply for electricity in the rural areas. They did that, but they were told to pay huge sums of money. People in the rural areas do not even have money to buy a kilogramme of maize, and you are asking them to contribute Kshs7 million. That is like telling them: "You can remain in the darkness forever!" That is not encouraging our people. We want to ask the Ministry of Energy to use the money that has been allocated to it to extend rural electrification. It should not be a subject that we talk about year in, year out.

Mr. Deputy Speaker, Sir, as I speak now, Busia District has no electricity. There are continuous disconnections and yet, we are very close to Jinja Hydro-Electric Power Station. We see huge power cables supplying power to Nairobi and yet, there are power black-outs every night. That is not encouraging.

Mr. Deputy Speaker, Sir, finally, I would like to say that security is still wanting, particularly in towns and areas on the border. The police must do a little more than they have done.

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

Dr. Ojiambo: With those few remarks, I beg to support.

Mr. Rotino: Mr. Deputy Speaker, Sir, thank you for giving me an opportunity to contribute to the Budget Speech. From the outset - I want to support the Budget Speech as given by the Minister. It was good and the Minister, for the first time, deviated from the routine speeches and gave something good. I would like to touch on a few items that I feel are important for Kenyans to know.

Mr. Deputy Speaker, Sir, as I speak right now, farmers who delivered their cereals to the National Cereals and Produce Board (NCPB) have not been paid since February. That is very pathetic. In my district, farming is the main source of income. They use the money that they get from selling their cereals to pay school fees for their children and re-ploughing their farms. They are now in debt because NCPB has not paid them Kshs108 million. Farmers in West Pokot and other North Rift areas have not been paid. I have spoken several times to the Managing Director of NCPB and even the Minister, himself, to find ways and means of paying those farmers, because they are really suffering. Many school-going children come crying for school fees. The Constituency Bursary Fund that the Government has established is not enough. I have to go around pleading with head-teachers not to chase them away because farmers have not been paid.

Mr. Deputy Speaker, Sir, people in my constituency also grow pyrethrum. But, since 2003, they have not been paid. When you talk to the Pyrethrum Board of Kenya (PBK) in Nakuru, they say that they have not paid arrears for 2003 and 2004, but they have paid for 2005. So, I do not understand the logic there. I plead with the Ministry to pay pyrethrum farmers, so that they can continue growing the crop. If you move around the constituency, farmers who used to grow pyrethrum have uprooted it and grown some other crops. That is not encouraging because, as Members of Parliament, we are being asked what the Government is doing to pay pyrethrum farmers. Farmers in Sigor Constituency are owed Kshs108 million by the PBK. We have been talking to the PBK to pay farmers because they are really suffering. I plead with the Government to pay the farmers.

Mr. Deputy Speaker, Sir, when we talk about free primary education, it should be free and compulsory. In Arid and Semi-Arid Lands (ASALs), there are boarding primary schools because of the nature of those areas. The people there are pastoralists and they move from one area to another. We have talked to the Ministry to subsidise those low-cost boarding schools in those rural areas. In my constituency, we have about 20 low-cost boarding primary schools and children are being sent away for not paying only Kshs1,000. In some of those schools, they have been asked to pay Kshs2,000. The Ministry should consider subsidising those low-cost boarding schools with a certain amount of money. At least, they are encouraged because they are fed through the School Feeding Programme. But that is not enough! Most schools in those areas do not have enough teachers. Parents-Teachers Associations (PTAs) are forced to employ teachers. Therefore, they need additional money. Where can they get that money from and yet, the Government has told them not to impose any levies on the parents? So, the Ministry should come up with a policy to support low-cost primary schools in ASALs. Many children are sent home to bring Kshs1,000 and yet, their parents are fed on relief food. They wander from place to place looking for pasture and their children have to look for them. They waste a lot of time moving around.

Mr. Deputy Speaker, Sir, last week, we had the West Pokot District Education Day. We were told that, out of the four years that the children are supposed to be in school, they spend only three years because, for one year, they stay at home looking for school fees. Most of them are even primary school pupils. So, I urge the Ministry to assist children from ASALs who are chased away many times to look for school fees.

Mr. Deputy Speaker, Sir, regarding the road network, I would like to say with all confidence, that the Ministry of Roads and Public Works is the most corrupt Ministry in this country. I have complained many times about the officers of that Ministry in my district. They collude with certain contractors who do shoddy jobs and are paid. Even some contractors have confessed that the officers ask them to part with 50 per cent before they are awarded contracts. We have the experience because we are benefiting from the Roads 2000 Programme. When those tenders were given, contractors who refused to part with money were denied those contracts. They have even confessed that they refused to give kickbacks to the officers! In West Pokot District, they have returned about Kshs17 million to the Ministry because they could not get a contractor who could collude with them and give a certain amount of money. A major road in my constituency - Marich-Chesegon Road - is in a pathetic state and yet, the officers returned that money to the Ministry! It is a shame!

Secondly, the Ministry of Roads and Public Works has professionals who are supposed to help project committees under the Constituency Development Fund (CDF). However, those professionals charge them a lot of money before they can approve drawings or inspect projects. Some of constituencies are so far from the district headquarters that the officers have to travel long distances. So, they punish the projects committees and delay the implementation of CDF projects because they are supposed to supervise them. They are also supposed to ensure that the projects are implemented well. I dare say that most officers of this Ministry in West Pokot are corrupt. They should be transferred because they are

corrupt. I have witnessed them fuelling their own vehicles using fuel meant for Government vehicles. The distance from Kapenguria to Kitale Town is only 35 kilometres, and yet, the officers purport to spend 10,000 litres of fuel. Personally, I have checked the work tickets for those drivers. It is sad that they sign for 10,000 litres of petrol and diesel and they spend it, not by visiting the projects in the constituencies, but they instead travel between Kapenguria and Kitale. One of the engineers has even built a big house in Kapenguria as a result of their corrupt practices. I have mentioned about this corruption to the District Roads Committee and the District Commissioner. These people must be investigated.

Mr. Deputy Speaker, Sir, other hon. Members have spoken about corruption. I also want to add my voice to this. Corruption in this Government is very expensive. As much as many people say that the KANU Government was corrupt, the NARC Government is the most corrupt. As one of my colleagues has said, during the KANU regime people used to bribe a policeman with as little as Kshs50. Some of us have trucks that move on our roads. Drivers nowadays demand that we give them as much as Kshs2,000 because the police officers are very expensive to bribe. They demand for up to Kshs2,000 as a bribe to release the drivers found guilty of traffic offenses.

The Assistant Minister for Local Government (Mr. Tarus): On a point of order, Mr. Deputy Speaker, Sir. The hon. Member has raised a very crucial issue; that, the NARC Government is very corrupt. Does he have the relevant information in terms of whether it is a policy or those are individuals?

Mr. Deputy Speaker: What is that, Mr. Tarus? You stood on a point of order and asked the hon. Member to give facts. It is like you are arguing. It is a point of argument; that there is no corruption when he says there is. So, that is not a point or order. It is a point of argument, in which case, I will give you an opportunity when your time comes.

Proceed, Mr. Rotino!

Mr. Rotino: Mr. Deputy Speaker, Sir, as I finish, it is common knowledge that the Police Department is the most corrupt. Let the hon. Member stand and ask me to substantiate what I said. This Government is full of activists who are of no benefit to our people.

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

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to support the Budget proposals by the Minister for Finance. I would like to congratulate him for paying a lot of attention to the problems of the poor of this country. I also would like to congratulate those who have been at the forefront in supporting the progress that made it possible for us to achieve the economic growth of 4.3 per cent that we are now informed is the case in this country.

Mr. Deputy Speaker, Sir, I would like to say that this development has only been possible because we were able to fight and keep out those who made development impossible for the last more than 40 years. It is because we have a Government that cares. It is also because we have a Government that is fighting corruption and stands for everything that made it impossible for the last two regimes to make development occur in this country. This is why during the campaigns we used to say, *yote yawezekana*. Of course, that may have been an exaggeration, but I am sure we can see for now that *mengi yawezekana* without KANU. That is why we must keep them off at all costs. We must keep off opportunists, especially if they are the people who stood for the things that made development impossible in the country. For this reason, I would like to congratulate the LDP and the other Members in the NAK wing for deciding come together. Unless we stay together we will not keep off people that made it impossible for development to be sustained in this country for so many years. We will not be able to keep off opportunists who want to come back to continue with their old ways and make it impossible for this country to enjoy the progress that we have witnessed in the last two-and-a-half years. I am not saying that all KANU people are corrupt and horrible. But some of the

opportunists that made it impossible for us to realise what we are realising are trying their best to come in and take advantage of our disunity. That is why, really, I think every Kenyan must be happy that we have now come together to continue working in unity. Without that unity, it will be very difficult for us to keep on.

Therefore, we should have the courage to deal even with the formerly corrupt; whether they be politicians or civil servants, again, for purposes of sustaining the same gains and ensuring that we experience development. If necessary the Government should repossess stolen property. We should implement results and reports from the several commissions established. This is because it will be annoying to Kenyans if we get reports from the various commissions which are not acted upon. We must also be prepared to deal with the corrupt very courageously, just like the South Africans did. President Mbeki sacked his deputy because he has been associated with corruption. We need that courage because the politics of numbers will not be the salvation of the economic and under-development of this country. The politics of numbers usually accommodates opportunists who never care about development, but themselves.

Mr. Deputy Speaker, Sir, more money has been voted to critical Ministries, and for this I congratulate the Minister. These Ministries include the Ministry of Education, Science and Technology, Ministry of Health, Ministry of Roads and Public Works, Ministry of Agriculture and so on. But we also know that some of these Ministries have been associated with grand corruption. Therefore, we hope this does not create opportunity for more plunder within those Ministries. In this respect, therefore, it is important for there to be appropriate mechanisms to ensure that these extra monies which account for quite a bit of percentage are taken care of and used for purposes for which they are meant. They should not create another opportunity for corruption. Therefore, it is necessary to put in relevant structures and appropriate capacity that would be necessary.

Secondly, if corruption is found to be still rearing its ugly head with regard to the use of public resources, I think we must be prepared to crack on it from those Ministries, irrespective of who has been associated with that corruption; whether they be relatives of the politicians or the politicians are saying that people are trying to settle political scores. I do not think we should be scared by that, if corruption is seen to be rearing its ugly head in any of the Ministries. I think that courage must be there.

Mr. Deputy Speaker, Sir, with regard to the resources that are there, I think we have spoken about efficiency for a long time. I am glad the Minister spoke about how much money is being spent on vehicles, transportation and travel by Ministers and other senior Government officials. I think in some Ministries there are too many foreign trips by Ministers. I think we are spending much more on these trips. We are spending more on five-star hotels, first class travel and a lot of *per diem*. Sometimes Ministers are even accompanied by several personal assistants and bodyguards. Sometimes we are spending much more money on travel than even what the donors give us. We need to ask questions about whether or not first class travel even for very short trips is justified for Members of Parliament and Ministers. Sometimes we tend to travel and live more luxuriously than the donors who give us the money. I think it is a shame. There was a report recently about how some Ministries have spent even up to more than Kshs10 million on just travel by senior Government officials and Ministers. This is a problem with regard to local travel. There are Ministries you visit and find many senior officers have gone to some seminar somewhere because the Minister is also out. As a result, all departments do not function. The problem is not just how much money is being spent on *per diem* and travel, but also the time that is lost because, senior Government officials who should be implementing decisions and ensuring that Ministries are running are out of their offices for a whole week.

Regarding efficiency also, we need to ask what percentage of money we have to vote to our parastatals, especially with regard to management. There are many parastatals, up to now, where just the cost of managing them amounts to almost one-third of the money that the Government is

allocating.

[Mr. Deputy Speaker left the Chair]

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

I think we need to learn from the private sector. Any private sector organisation will not spend more than 10 per cent of their total revenue on human resource management. In other words, we are spending much more money to employ people than would be the case if we would like to be competitive.

Mr. Temporary Deputy Speaker, Sir, the issue of equity has been brought up, and I am glad more money is being voted for the arid and semi-arid areas, and that we are paying more attention to the girl child. But I think we also need to be careful that we are not forgetting pockets of poverty in some other areas of this country that are not arid or semi-arid. We need to be careful that our boy is not getting endangered because of too much emphasis on the girl. We, therefore, also need to focus on these areas.

We also need to be careful that we are not allocating too many resources and duplicating the same in the arid and semi-arid areas. There is so much interest in those areas by the Government, donor community and the NGOs, and it is not quite clear whether there is no duplication, such that some areas are benefiting from those three major donors for the same projects.

In this regard, while it is good to allocate those resources to those communities, I think it is important also to ask for accountability, otherwise we are going to continue channelling money to those areas and you see no development. So, any monies that we are putting in the arid and semi-arid areas, we must see evidence of change. If there is no evidence, then we need to start asking questions about what is happening; where are all these resources going and whether or not it is justified to continue prioritising those areas while forgetting pockets of poverty in other parts of this country.

With regard to the poor, much has been said about how this Budget is pro-poor. We are doing a lot for our education and I hope we can do more, because we realise that education is the only way many of the poor Kenyans can make it in life. I agree with suggestions that are being made about supporting low-cost boarding schools in certain communities. We should also put mechanisms in place for more of the poor in this country, not just in the arid and semi-arid areas, to make it through education.

As of now, we know this is a problem. Obviously, you need to come from a well-off background to make it through the system and to do degree programmes that are rewarding and so on. But also, with regard to judicial services, I think one way of supporting the poor in this country is ensuring that there is a certain level of free legal services. A lot of the poor cannot defend themselves, their property is being taken, because we do not have an allowance to ensure that they can be facilitated to defend their property through legal services. I think we need to put strict mechanisms in place to ensure that our domestic workers who comprise a large proportion of those who are employed in this country, are not exploited by private employers.

On development expenditure, it is okay for us to vote money for stalled projects in certain districts and provinces. What about those districts where there were no projects started because there were problems of political correctness? In Meru North District, for example, we have no project at all; district headquarters or hospital. I think we need to look into this issue also as we continue to allocate resources to those areas for which already resources were allocated, because they continue to be disadvantaged.

With those remarks, I beg to support.

The Assistant Minister for Local Government (Mrs. Tett): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to the Motion.

Mr. Temporary Deputy Speaker, Sir, this year's Budget indeed, targeted the normal citizen. The Minister outlined many issues, but the most notable is the economic growth of 4.3 per cent, contrary to the impression that was created earlier on that because of the wrangling in the ruling party, that the growth of this country had stagnated. It shows that although there was a lot of wrangling, some of the Ministers were working very hard and ignoring all these wrangles. I was very impressed because, in future, the growth will even go beyond what we expect. Although we are below many African countries, now that the ruling party has come together, we are going to see a huge growth in the economy of this country.

Mr. Temporary Deputy Speaker, Sir, I was also very impressed to see the growth in the tourism industry, which was totally dead. I remember most of the hotels at the Coast were empty. Many people were displaced and many more went without jobs. Now that the Minister has allocated Kshs2.5 billion to this sector, it will be very important to revive it so that our people at the Coast and other areas will benefit.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Constituency Development Fund (CDF), I was a bit disappointed when I heard some Members say that the level of poverty had increased in the country. I cannot see how the level of poverty has increased when the CDF money is trickling down to the people in all the constituencies in Kenya; over Kshs30 million per year. This is creating wealth. The money is going to the normal *mwananchi* in the constituency. That money was never ever seen in the constituencies before. It is the first of its kind in Africa. This creates jobs and wealth, because it is utilised at that level. That money is used for development, education and whatever else each particular constituency wants to utilise it for. So, when we are told that the level of poverty is increasing, I beg to differ because that money actually reaches the pockets of citizens at the grassroots level.

Mr. Temporary Deputy Speaker, Sir, I would also like to see that money do many other things. For example, I went to Embakasi the other day to see the dumping site, and I was very disappointed when I saw a lot of people looking very sickly because that dumping site is causing diseases and other health hazards. I would like to see some of that money, especially in Nairobi, being utilised to correct such problems, in Embakasi.

Mr. Temporary Deputy Speaker, Sir, the Minister did not factor in foreign aid in his Budget. If you look at many other countries, they do not depend on this aid. Kenya will now have to depend on itself. I was very happy that we are not now going to heavily depend on foreign aid. It is time some of these African countries started depending on themselves. We cannot be beggars all our lives. After 42 years of Independence, it is time we stood on our own two feet and become self-reliant.

Mr. Temporary Deputy Speaker, Sir, we have also noted that the allocation for free primary education has been increased. That is very important. Before the introduction of free primary education, there were 3 million children who had never seen the door of a classroom. Now, the number has gone down to 1 million. That is very important because without giving education to our children, we will be moving backwards. Education is a vital tool to give to our children. I want us to build more schools because, at the moment, the schools that we have are full and some pupils are learning under trees. The Minister should have factored in some little money to build new schools and improve facilities in the already existing ones.

Mr. Temporary Deputy Speaker, Sir, more money should have been allocated to universities and technical institutions to train and develop a highly qualified human resource that is required for the development of this country. We should not ignore that because without training teachers and university graduates--- I was told there was no money. But if we do not do that, we will be moving backwards.

Mr. Temporary Deputy Speaker, Sir, some money should be channelled to vulnerable groups like the girl-child and street children. At the moment, nothing has been done. It is important to look after the less fortunate members of our community, especially the girl-child. We know that if a family has very little money, it educates boys first. We should have more funds for those children. We have also seen that street children are coming back to the streets. That is very sad because we had almost cleared all of them, especially from the Nairobi streets.

Mr. Temporary Deputy Speaker, Sir, no money was allocated to vocational training centres in the country. We need a policy for vocational training. They are very important because when our children cannot continue with their education, they turn to those vocational training centres. It is, therefore, important to assist all vocational training centres in the whole country, so that our children could benefit from skills that will help them in future. Those who cannot go to universities can benefit from those centres. At the moment, there is no policy governing vocational training centres. They are only given some few shillings by the Ministry of Labour and Human Resource Development.

Mr. Temporary Deputy Speaker, Sir, in the health sector, I was very happy because import duty on pharmaceuticals has been removed. That will go a long way to help the common *mwananchi* who cannot afford to buy drugs. That has a lot of implications on people with HIV/AIDS-related diseases. Some of the people could not afford the medicines because they are very expensive. We want to see the decentralisation of medical health services. For example, I would have liked to see more mobile medical units, but that was not factored in the Budget. It is important to have mobile medical units in the country-side to help those who cannot help themselves. We see some sick people being carried to clinics many miles away by people using wheelbarrows. That is very sad. Mobile medical units would really be helpful.

Mr. Temporary Deputy Speaker, Sir, I also noted that the money allocated for upgrading slums was only Kshs500 million. That money is not enough. It is very little! We want Kibera people to live in dignity, just like any other people. We have the flying toilets in Kibera and other slums. The Kshs500 million that was given to my Ministry for that project is very little. We want to upgrade all slum areas. We want people in those areas to live just like any other human being.

With those few remarks, I beg to support.

Mr. Chepkitony: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support the Budget. I want to start by saying that the Budget was fairly good. However, it was not as detailed as last year's. Some issues were not mentioned in detail and, therefore, we cannot differentiate what the allocations are for. That needs to be improved.

The Budget tried to cover some areas, but there is no policy to support the industries. Many textile industries have been closed because of bad policies. We have a huge area which is suitable for cotton growing, either under irrigation or rain-fed. Why have we not promoted cotton growing as a deliberate policy to reduce poverty and create employment? We have land, resources, people and industries. We need to improve that area. Cotton does well in semi-arid areas. Instead of promoting the textile industry, we are discouraging it. One way in which the Budget discouraged the textile industry is by reducing the tax on *mitumba*. The tax was reduced from 75 per cent to 45 per cent, or the cost per meter or kilogramme of material, whichever is higher. I think those in the Government are not listening to what the manufacturers are saying. They should listen to the proposals that are being brought forward by various sectors. There is a lot that is coming from the various sectors. For example, we have the Africa Growth and Opportunity Act (AGOA), in which Kenya exports various products - mainly garments and apparels - to the United States of America (USA) market. We have been given a period in which we have to use our own fabrics to make garments and other apparels, but we are not doing anything towards that end.

In order to manufacture our own fabrics, we must start to grow our cotton. We must revive textile industries which will make the fabrics. We have only three years to do that. We have been given

up to 2008. I expected this Budget to give a policy guideline to support that sector.

Mr. Temporary Deputy Speaker, Sir, we have been complaining that the cost of doing business in Kenya is very high. The cost of various inputs is very high. There is poor infrastructure, high cost of energy and other things. I was happy to note that the Minister has reduced the number of licences that are required to do business. That was a big handicap. Initially, one had to seek 17 licenses to do business in Kenya. That is a good move, but it is not enough. We still have very high tariffs on electricity. We should have raised the issue of the high cost of electricity. Is it because we are unable to address this issue? When those in the NARC Government were campaigning, they pledged to bring down the electricity tariffs, and they have been unable to do that, and instead, they have now gone up.

Another issue relating to the energy sector is the payment of taxes at the point of entry for petroleum products. That is also going to increase the cost of distribution of petrol, or the cost of importing petrol because the volume we are handling is so huge that if you are taxing it at the entry point, it will force importers to look for funds or to borrow more so as to pay the taxes at the point of entry and the cost of borrowing will then be passed on to the consumers. We still rely on petrol for power generation by the Independent Power Producers (IPPs), and this is going to make the cost of generating electricity high; it is not going to bring it down.

We are, therefore, going to continue having the same problem of the cost of generating electricity going up, and this is going to affect many sectors. The cost of petroleum products, which is already high, will continue going up. The increasing price of petrol will affect the cost of everything else. For example, it will raise the rate of inflation, increase transportation costs and cost of agricultural inputs. We are told that the cost of producing agricultural products in Kenya is very high; look at sugar, which is produced cheaply in other countries in the Common Market for Eastern and Southern Africa (COMESA). Why is this so? It is because of the high cost of inputs, and one of those inputs is fuel; the price of petrol is high and we are not able to reduce it. The cost of fertilizers is also very high; it may be cheaper in Mombasa, but ferrying it from there, considering the high cost of fuel, is making fertilizer expensive by the time it reaches the farmers.

Our road network still leaves a lot to be desired. Nothing has happened since the NARC Government came into power two-and-a-half years ago. They have been talking of building new roads and repairing the existing ones, but nothing has happened up to this day. Major roads and highways are in a very pathetic situation, and that is why it is very expensive to transport goods from Mombasa to upcountry. The cost of breakdowns is very high and it takes very long, making things expensive for the country. This is making our country uncompetitive in all sectors. So, it is high time we repaired and improved our roads, and we should not waste any more time. We have been talking a lot, saying that we have funds, and yet nothing seems to be happening.

We have been blaming the procurement system, with others saying that it is too bureaucratic and it takes too long. Why should we just complain? Why do we not bring the Procurement Bill to this Parliament for us to pass it as a matter of urgency? We have been sitting here in Parliament and we have not deferred or failed to come here when we are supposed to. Then why is this Bill not being brought as a matter of urgency, if it is the one delaying the implementation of road construction and other issues? I think it is because some people in the Government have vested interests and they want to use the existing Procurement Bill to do certain things. Otherwise, I do not see any reason why that Procurement Bill is not being brought to this House for amendments.

I was waiting to hear about unemployment in the Budget, but nothing was mentioned about the issue. This is a burning issue and it is a very serious problem we are facing as a country. Unemployment and poverty are the biggest problems facing Kenyans, because we have very many graduates from universities and various colleges, and they are unable to get employment, and we have no plans to reduce this problem. These issues need to be addressed, and one of these areas is in agriculture, which should have been supported, but---

With these few words, Mr. Temporary Deputy Speaker, Sir, I beg to support.

The Assistant Minister for Roads and Public Works (Eng. Toro): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the Finance Estimates that were presented by the Minister for Finance. I think a lot has been said by the hon. Members, who have contributed since the first Allotted Day. This year's Budget by the hon. Minister is full of vision for this country. For the first time, real issues have been addressed and various sectors that need to be addressed for the revival of the economy were adequately addressed. What is left now is for the various Ministries to actualize what the Minister said, so that Kenyans could benefit.

The issue that can hinder economic recovery and actualization of what the Minister presented is corruption, and a lot has been said about corruption, especially our Ministries being challenged as being corrupt. Whereas we cannot run away from the issue of corruption in the Ministry of Roads and Public Works, we also need the help of the hon. Members of Parliament, because on many occasions when I have stood up to answer Questions from them, I have severally called upon them to also help us, because when money is sent to the districts for District Road Boards, we are left with only the engineers and District Works Officers (DWO) to give us a feedback on what is happening on the ground. We would like hon. Members to play a key role in finding out if what they have allocated in the annual Roads Work Programme proposal is actually being utilized well on the ground. There is no point for hon. Members of Parliament not visiting the road works and only complaining after about six months when work has been done. Even then, when we send inspectors and the technical audit team there after three months of grading a road, we will not be able to find out real reasons for talking about corruption. But if the hon. Member is on the ground when work is being done, he can be able to assess, even as a layman, whether work is being done properly or not.

Mr. Temporary Deputy Speaker, Sir, hon. Rotino raised the issue of West Pokot, and I have severally asked him to put it in writing. I did not want to interrupt him with a point of order, but I have asked him severally to put his complaints in writing so that I can have a basis for sending in a technical audit team, or even taking action. You have even heard that he has talked to the district commissioner and the DWO, but he has never raised that complaint officially to the Ministry, so that we can be able to take action.

Mr. Temporary Deputy Speaker, Sir, we are encouraging people to do the ground work and find out who are misappropriating the District Roads Committees (DRCs) money. They should take courage and write to the Minister and raise those substantial issues, so that we can address them. Unless we do that, we are not going to fight corruption in the Ministry.

Hon. Rotino said that corruption under the NARC Government is widespread. I beg to disagree with him. What has happened is that corruption is being exposed, unlike before when corruption was never exposed by the media because of the dictatorial regime that was there. Now, the media is free to highlight any sort of corruption that it comes across. That is why there is a perception that there is more corruption than there used to be before. Corruption has always been there in a bigger magnitude. It is only that it was not being exposed. Everybody in this House would like to fight corruption. The President is in the forefront in fighting corruption. That is why there are no State operatives calling people to State House to go with briefcases as it used to happen before. If you go to State House, you will find that there are no businessmen or women and contractors going there to solicit the support of the President for them to be awarded lucrative tenders. So, we can say that corruption is being fought from the top and we, in this House, should emulate the President as he continues to fight corruption.

Mr. Temporary Deputy Speaker, Sir, a lot has been written by the media about the misuse of the Constituency Development Fund (CDF) and how hon. Members are using the funds to entrench themselves. The people who criticise the CDF come from certain constituencies. I would like to ask them to go to their constituencies and find out whether the CDF money is being spent properly. There

is no need of having a blanket condemnation of the CDF and how the money is being used. Every person who writes in the media comes from a certain constituency. I would like to ask them to highlight what is happening in their respective constituencies. You cannot condemn the CDF wholesome.

There are 210 constituencies in this country and all of them cannot be expected to operate 100 per cent properly. It does not mean that if the CDF money is being mismanaged in ten constituencies, the CDF money is being mismanaged in all the 210 constituencies. These are things that are expected. In the law of nature, you cannot be 100 per cent perfect. The media should also highlight the positive aspects of the CDF and the amount of money that is now going to the local people. The media should highlight the pros and cons of the CDF and then we can find out where the balance tilts.

When the Minister for Finance said that there will be more money going to the CDF, the media said that the hon. Members are being given money again. This is money that is going to help the wananchi. It is not money for the hon. Members. The newspapers stated that with this money, the hon. Members are going to entrench themselves, so that they are not voted out. Who said that in Kenya, hon. Members should be voted out unnecessarily? It is a wrong perception by the media that an hon. Member is elected and after five years, he should be so weak that he should be voted out. Any Government wants to do its best, so that it can be voted back. Hon. Members want to do their best, so that they can be voted back. If hon. Members are performing, there will be a transition and poverty will be alleviated. If hon. Members are working properly; they are looking after the CDF money properly and the constituents are very happy with what they are doing, they will be voted back to Parliament. That is what Kenyans want. There is no need for people to say that with the allocation of the CDF and the Bursary Fund money, hon. Members will never be voted out. I would like to put it on record that hon. Members will use the CDF and the Bursary Fund properly, so that they can entrench themselves and be voted back to Parliament, even if they will be voted back ten times. That is politics. An hon. Member is elected to be voted back again and again because he works for the constituents. The media should not say that hon. Members should be voted out.

Mr. Temporary Deputy Speaker, Sir, with regard to the issue of the Bursary Fund, I would like to say that more money is reaching the poor than before. Some people have been criticising the system that has been put in place. Previously, bursaries used to be sent directly to secondary schools and there was no criteria of giving bursaries to the poor people. This time round, the poor people are receiving more money than before. However, this money is not enough. We would appreciate if the Minister for Finance would increase the Bursary Fund allocations. Individual constituencies should be isolated, so that we can know the constituencies where the money is being misappropriated. It is in the interest of the hon. Member to make sure that the money is spent properly, so that he or she can be re-elected. Nobody else has an interest in what is happening in the constituency other than the hon. Member. Other stakeholders are not being elected and they have no interest in the constituency. The hon. Members are being blamed for working hard and trying to entrench themselves through the delivery of services. With those few remarks, I beg to support.

Maj. Madoka: Thank you, Mr. Temporary Deputy Speaker, Sir. First, I want to commend the Minister for Finance for presenting a very focused Budget. Of course, what remains is to see how it is going to be implemented.

What impressed me most is his parting shot, which was: "We should not look at the past, but we should focus ourselves for the future". This is a clear indication that the current administration has now come to realise the real functions of a good administration. The Minister touched on various issues. I would like to concentrate on one or two issues, which I consider important and which I think the Government needs to look at very carefully.

The Minister did not talk about our armed forces' budget. I want to talk specifically about the allocation for our armed forces. In the Printed Estimates, this Budget has gone up from Kshs17 billion

to about Kshs26 billion. We accept that having a standing force is, indeed, very expensive, but we also appreciate that it is necessary to have it. I would like to recommend to the Government to establish a defence review committee to look at our defence policy. They should look at the structure and the numbers of our defence forces. At the moment, I believe that the armed forces are top heavy. There are certain functions in the defence forces which can be performed by civilians employed by the Department of Defence. This is not unusual. It is being done elsewhere and it can be done here. The cost of employing one soldier is enough to employ six to ten civilians because, when you are employing one soldier alone, you will have to think about his fatigue, combat and ceremonial uniforms, and the weapons that he has to carry. So, the cost of employing and equipping that one soldier is enough to employ about ten civilian staff. I think it is necessary to look at the force and ask ourselves: Do the clerical staff at the headquarters have to be uniformed people? Do they have to be trained soldiers? We can have civilians performing those functions and only concentrate on employing people who have to go out on combat. I am sure, if that is done, we will find one avenue through which we can reduce the expenditure of the Department of Defence.

Mr. Temporary Deputy Speaker, Sir, I would also like to question the role of peace-keeping that our armed forces play. I know that this role has given this country a good name. We know that soldiers have benefited by going out to other countries on peace-keeping missions. But how does Kenya really benefit? I believe that we need to get a special compensation from the United Nations (UN) when we send our troops to foreign countries on peace-keeping missions. If the UN compensates us, such funds can still be ploughed back into the armed forces. For example, that money can be given to the Engineering Battalion to construct bridges and roads, so that we improve the infrastructure of this country. So, as a matter of urgency, the Government should truly examine our armed forces, so that we have a clear vision. In doing so, we would expect that committee to ensure that we do not reduce our capabilities in terms of defending our borders and repulsing any external aggression.

Mr. Temporary Deputy Speaker, Sir, if I may now move on to the question of water, I note that the Minister spoke of extra funds he has allocated for drilling boreholes, construction of water pumps, wells, *et cetera*. That is a commendable move. However, more needs to be done in this country in terms of management of our water resources. There is no reason why Kenya should ever be asking other countries to help her with food relief. If we plan properly, and we have proper irrigation schemes, we will be able to produce enough food for this country. For example, if water from Lake Chala in Taveta could be used to irrigate farmland in Mwakitau, Mwachabo, Kasigau, right up to Kwale, we will be able to supply enough food to all the hotels at the coast. If that was done, we would completely eradicate poverty in that particular area. I am sure that can be done in other areas as well.

So, I would like to see the Ministry of Water and Irrigation, and the Ministry of Agriculture working closely. The Ministry of Finance should also ensure that the two Ministries are adequately funded and have proper policies in terms of irrigation, so that this country can become self-sufficient in food production. I would like to commend the Ministry of Water and Irrigation. This is one of the Ministries which have been fairly focused and, indeed, has done a very good job. If it is given more resources, and if it works closely with the Ministry of Agriculture, we may be able to see some change.

Mr. Temporary Deputy Speaker, Sir, the other area where I feel the Government needs to look at and pump in more resources is that of mining precious stones. Enough is not being done in this particular area. Taita-Taveta District is one of the areas with large deposits of precious stones in this country. If the Government could put special effort to encourage and promote the mining of precious stones, it would help in alleviating poverty in that area. Equally important, the Ministry needs to ensure that it taxes the people engaged in mining in this particular area. I believe that they are not paying tax to the Government as they should. They pay to the Government only a little money, and yet they collect a lot of precious stones. So, there is need to specifically look at that area.

Mr. Temporary Deputy Speaker, Sir, recently, we had a strike by civil servants. The Government needs to look at the question of harmonisation of salaries in the Civil Service. It is not good enough to consider salary reviews on sector by sector basis. Today, you increase the salaries for the teachers and tomorrow you increase the salaries of the Ministry of Health workers. We need a proper exercise to have the entire jobs in the Civil Service evaluated and then do a proper harmonisation of salaries, so that we do not have some civil servants benefiting more than others and thereby causing discontent.

Mr. Temporary Deputy Speaker, Sir, it does not make sense to have the District Commissioner, who should be responsible for other departments in a district, earning less than the Officer Commanding Police Division (OCPD) or the Administration Police Inspector in charge of the district, who is under him. So, we need to carry out a proper harmonisation exercise for the civil servants' salaries and give them a blanket increase. Increasing salaries of civil servants on sector by sector basis will continue to have a demoralising effect among civil servants and reduce their efficiency.

Mr. Temporary Deputy Speaker, Sir, I was happy to see the reduction in taxation on pharmaceutical products. Indeed, most of our people cannot afford the various medicines which they have to buy at various pharmacies. That was, indeed, a good move, but I would like to see more medicines being supplied to our hospitals. We, again, need to look at the various policies with regard to cost-sharing. It does not make sense. We have had to close down laboratories, because we cannot pay the laboratory technicians, who we had to pay through the cost-sharing collections. Now, our people have to travel many miles to get laboratory tests done. It does not become more affordable. In fact, it has become much more expensive. So, we need to look into this particular area.

Mr. Temporary Deputy Speaker, there is a lot to be done in the road sector. I was glad to see that a lot more money is being pumped in the area of road gravelling. I am glad that the Assistant Minister for Roads and Public Works is here. It is not economical to gravel a road for Kshs200 million and, in two years' time, that road is washed away. It would make more sense to, maybe, gravel half of that road and do single sealing, which would give that road a ten-years' lifespan, and then do the other half of the road in the next financial year. I think this is an area we have to consider. It does not make sense to spend Kshs300 million on gravelling a road only for it to be washed away in one year.

With those remarks, I beg to support.

Mr. Midiwo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. Although some of my colleagues on the Government side expect me to oppose the Motion because of my position, I would like to support it. I would like to thank the Minister, just as my colleagues have done, on the Budget outlay for this financial year. I think it is good. As Eng. Toro said, all that needs to happen now is implementation. However, I would like to make a few comments on a few areas.

My first point is the issue of roads in this country. Just like Eng. Toro has said, Parliament needs to help the Ministry of Roads and Public Works in the area of corruption. The Government should, for once, listen to the voices of hon. Members and concede that road engineers are corrupt, and stop sending more money to the district headquarters to be handled by them. Those engineers should supervise the roads when work is in progress. They should not do clerical work or determine the roads to be done and their cost. They should supervise work on the roads, which the Assistant Minister for Roads and Public Works has requested us to do. The work of an hon. Member is to legislate laws in this House. His work is not to sit on the roadside and supervise work on a road which is being graded. The Ministry, and I am glad that the Assistant Minister for Roads and Public Works is here, should help hon. Members to devolve this money from those engineers. For every Kshs2 million allocated to do a road, those engineers squander Kshs800,000. I know this because I am the Chairman of my District Roads Committee (DRC). Those engineers will give you all the figures to

prove this.

The Ministry of Roads and Public Works should send that money to the constituency level. It does not have to fall under the Constituency Development Fund (CDF). We should let that money be controlled by its committee and our people have a say on the roads to be done in a particular place. The engineers should do their supervisory work rather than the clerical work they do in their offices. This is because there is a high temptation for an officer to embezzle large amounts of money when he or she handles it without proper supervision. I hope that the Assistant Minister, who is here, will implement Mr. Kimeto's Motion, which was passed by this House. The Minister for Roads and Public Works said that he supported it. I believe it is taking long to implement it because the Ministry officials are opposed to it. They are the contractors right from the headquarters up to the district level. I implore my colleague, Eng. Toro, to hear the cries of hon. Members. Another alternative is to bring a Bill to this House which will put that money under the CDF. Let us be bashed for taking that action for the interest of the citizens of this country.

Mr. Temporary Deputy Speaker, Sir, there is also the issue of increased budget to the Office of the President. This is the most corrupt Ministry even since NARC took power. We do not oppose the increment, but we want the Government to change the way security operates in this country. We should not spend so much of our national Budget on security, and yet our country is not at war. In most developed countries, the soldiers have helped to manually construct dams and roads. They also use machines to construct those facilities. Above all, in a country where there is no health infrastructure, we could use the medical personnel from the military to bring health facilities closer to our people. This is because the military is capable of running mobile health clinics and its personnel are idle. The Government should use the medical training colleges (MTCs) to train nurses and employ them in the military so that we can change it. The world has changed, and chances that we will go to war with another country are minimized by each passing day.

Mr. Temporary Deputy Speaker, Sir, Kenya is an agricultural country. When NARC was campaigning, it pledged to write off the debts of coffee farmers, rein in the sugar barons and allocate money to the cotton sub-sector. Hon. Members have always asked the Government to increase the budget of the Ministry of Agriculture and spend it in the relevant sectors. It makes no sense to allocate the cotton sub-sector Kshs200 million, and allocate Parliament Kshs800 million to refurbish this House. That is a case of misplaced priorities. The Kshs800 million we purport to spend to refurbish this House can be used in the agricultural sector or even to upgrade the Kibera slums. It makes no sense to allocate the Kibera slums Kshs500 million and allocate this House, which is functioning, Kshs800 million. I think that is a misplaced priority, and I will always oppose it because we were not elected by our people to do that.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance read out the Budget and there were several good things in it. Among them, other than the elimination of licences, was the reduction on specific duties on kerosene and pharmaceutical products. However, the merchants in this country have refused to bring down the prices of those commodities. Therefore, it is the role of the Government to immediately rein in those companies, especially the so-called multinational oil companies, for example, BP Shell and Mobil. We cannot hide behind the so-called liberalized economy.

Recently, when the world oil prices went up, the President of the United States of America (USA) invited the Prince of Saudi Arabia and stayed with him for three days in his ranch in Texas. Why did he do that? He did that so that the Prince could increase the oil supply to the USA. If we want to rein in the high cost of agricultural and industrial production in this country, we must do that. This is not a far-fetched thought because we have the National Oil Corporation of Kenya (NOCK). There is need to redefine the functions of that company which runs the National Petrol Stations. The Government can use NOCK to stop the multinational oil companies from looting money from our country and repatriating it abroad. Therefore, I implore on the Government, and especially the

Minister for Energy, to intervene, to bring down the prices of petroleum products. We know that the appetite for oil money is high, but the Government has the goodwill to alleviate poverty in this country. This has to stop somewhere. Oil companies are out of control and they must be controlled.

Mr. Temporary Deputy Speaker, Sir, I also want to talk about the CDF, which hon. Members have been very much bashed about, to the extent that its spirit seems to be lost in the media. The CDF is a reaction to the needs of the poor people in this country. When I attend a church function in my constituency, for the first time, I see old women giving Kshs50 as *sadaka* instead of Kshs5. That is a direct investment for my people.

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

Mr. Mbau: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my humble contributions to this well-thought Budget. First, I want to congratulate the Minister for Finance for thinking out of the box to give Kenyans a practical and realistic Budget. I would like to comment on the aspects which have a wide scope or fundamentals.

Mr. Temporary Deputy Speaker, Sir, it is true that the Budget presented focused on re-orienting growth resources to the rural areas where a majority of our people live and earn a living. Unfortunately, we need to bring out the high cost of inflation which makes nonsense of a well-thought-out Budget. We were able to learn that the inflation has escalated within one year from about 5 per cent, to its current figure of 16 per cent. This does not augur well for consumers or potential investors who have been told that commodity prices have come down. When you consider that only the day we were denied waiver of debt relief by our development partners and the fact that those commodities whose prices have been brought down, one week down the line, remain where they were before the Budget, it only serves to make our Kenyans and other people begin to doubt whether the Minister really meant what he said, or that the Government is not able to control our business sector in order to comply with the aspirations and wishes of the Budget.

Mr. Temporary Deputy Speaker, Sir, having said that, I want to commend the Minister for Finance for having brought down corporation tax from 30 per cent to 20 per cent for those companies that will enlist the public at the Nairobi Stock Exchange (NSE) for a period of five years. I say this because I know that many Kenyans, who do not have colossal amounts of money, have always wanted to be shareholders and to invest in companies that are performing well. I would want to call upon the public to take this as a great investment opportunity in companies that are well managed and make profit. They should take this opportunity and buy shares at the Nairobi Stock Exchange from those companies that will enlist with a view to giving the public a chance.

We also note with appreciation that the economy of this country has truly been growing. We have heard a few doubting Thomasses who think that the growth was cooked.

Mr. Temporary Deputy Speaker, Sir, I want to reiterate that the growth of this economy is now on a take-off path and it will continue growing. The past two years have laid the foundation of clearing the system and putting the train back on track. I urge Kenyans and those that are not able to see this growth to appreciate how an economy can begin to grow slowly. You may hear that the economy has grown by only 1 per cent, but that translates to a lot. The fact that we are told that this country's economy grew by 4.3 per cent is a great statement for this country. The Minister for Planning and National Development did well by saying that the European Union's economy grew by 1.8 per cent over the past year. Over the same period, the economy of countries in Sub-Saharan Africa grew by 4.6 per cent. Therefore, Kenyans need to be able to see and try to interpret what a growth of 4.3 per cent implies.

This implies that today, a lot of money is circulating within our villages and rural settings. These are billions of shillings in terms of free primary education money that have made bookshops sprout in every other shopping centre. These bookshops were non-existent. The CDF is making shopkeepers and other small-time businessmen begin to stock building materials and other supplies

with a view to supplying materials that are used in a lot of projects in the rural areas. So, it is important for Kenyans to appreciate that a lot is happening, and they only need to compare what was not happening previously and now.

Mr. Temporary Deputy Speaker, Sir, to ensure stability in the growth that we have already achieved, I urge the Ministry of Finance that Kenyans want to continue to see that certain indicators of growth like the exchange rate of our shilling, inflation, supply of money and expenditures within our various Government departments are not only controlled, but monitored on a quarterly basis with a view to ensuring that after one year, we shall be able to say that these indicators, which mean so much to our economy, were taken care of in a manner that yielded positive results.

Mr. Temporary Deputy Speaker, Sir, that is the only way we can restore confidence in our domestic investors, trading partners, donors and within our region. We need to note with appreciation, that recently Kenya had the great opportunity of helping to open new frontiers for business in the name of stewarding peace in our neighbouring countries; Somalia and Sudan. These are great opportunities that need not be taken for granted. It is high time that we urged the Ministry of Roads and Public Works, the Ministry---

The Temporary Deputy Speaker (Mr. Poghio): Your time is up!

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

Prof. Olweny: Thank you Mr. Temporary Deputy Speaker, Sir. I want to support the wonderful Speech which was presented here by the Minister for Finance. It showed this country and the rest of the world the achievements that NARC Government has made within the last few years. It is true that several achievements have been made. There are tangible signs to indicate that this country is growing, since the economy has picked up.

The Minister presented a very good plan to sustain the growth of the economy of this country. I would like to congratulate him for that. He said that some more money would be allocated towards building our roads. Roads are still a disappointment in this country. We inherited very bad roads from the KANU Government, but little has been done to improve the roads within the last few years. A lot remains to be done. It is good that the Minister allocated some money towards the repair of roads.

The Permanent Secretary, the technocrats and officers involved in procurement in the Ministry of Roads and Public Works should support their Minister so that the roads are done. We have heard that the department of procurement is slowing down work in the Ministry of Roads and Public Works. It appears the PS and the technocrats are not doing enough to help build new roads.

Mr. Deputy Speaker, Sir, free primary education has gone a long way in achieving one of the millennium development goals. We are doing very well with free primary education. The Ministry of Education, Science and Technology needs to make it public whenever money is released to schools because some schools usually miss out. In my district, close to 100 schools did not get their pre-primary education funds since the programme was started. We had to follow up the issue with the Minister for Education, Science and Technology and the PS this year. That is when the money was provided. We need to have this issue publicised so that we know how much each school is getting. This will ensure that if a school does not get the money, we can then follow up the issue as soon as possible.

Mr. Temporary Deputy Speaker, Sir, the move to award bursaries to secondary school students is commendable. In fact, it is helping us achieve one of the Millennium Development Goals (MDGs) and, therefore, we should be proud of that. I am not, however, happy because there is no good programme to support education for children with disabilities. These children are mixed with able and normal children. Again, nearly all special schools in this country are not supported by the Government. Unfortunately, they are private schools and, therefore, very expensive. To educate children with disabilities, parents have to part with a lot of money while children without disabilities get free primary education. They are even given bursaries. It is very unfair for us to handle children with

disabilities in such a discriminatory manner.

Quite often, Members of Parliament bring to this House issues regarding disasters in schools. This country has no programme to handle disasters occurring in schools. When roofs are blown off by wind and there are floods, we do not have any mechanism in place in the Ministry of Education, Science and Technology to handle such disasters. It is high time the Ministry designed programmes to handle disasters when they occur in schools. I know we have relief food that is given to people affected by floods and drought, but what about schools? It is really a major problem, particularly in an area that is affected by floods like my constituency.

The agricultural sector is picking up slowly and yet it is the heart of our economy. The agricultural sector sustains 70 per cent of our economy and yet so little money is given to it by the Treasury. We talked to the Minister for Finance about this matter and we told him that the Ministry of Agriculture should be added more money so that it can improve on extension services which are very poor in this country. So many extension officers died a long time ago and others were retrenched. The remaining officers are too old to run around and yet much work in agriculture involves moving around from one farm to another. In fact, even the methodologies that they use do not enable them reach out to the farmers as one would expect. I would suggest to the Minister for Finance that he really needs to give more attention to the Ministry of Agriculture so that the economy of our country is pushed higher a little more. Agriculture is the mainstay of our economy. We are not an industrial country because we do not have mineral resources. Most of us depend on agriculture.

The Minister reported here that the sugar sub-sector did a little well with a few factories like Mumias Sugar Company, Chemelil Sugar Company and Sony Sugar Company in realising profits. This is as a result of good management and the fact that politicians, today, are more disciplined unlike the past years when they were looting everything. You will not find an MP going to one of the sugar factories to ask for money for *harambees* and so on. It is such discipline that has enabled the factories realise profits. The management is good and disciplined; there is a little political goodwill; and the politicians themselves are very disciplined. So, if the country maintains that, we shall realise growth in many sub-sectors of agriculture, although the Minister also needs to do something. There is too much taxation on sugar. Why should we have Value Added Tax (VAT) on sugar and yet it is food? That is one of the things that has made the sugar sub-sector grow at a slower rate than expected. The Minister for Agriculture has really done a lot to revamp the sugar industry, but the disappointing factors come from the Treasury where the Minister for Finance maintains that sugar cannot be zero-rated.

Mr. Temporary Deputy Speaker, Sir, with regard to our rail system, it is one of the world's oldest. It has the oldest locomotive trains and coaches. I do not think there is anywhere in the world where this kind of system still exists. It is high time we moved with the rest of the world. We need an electric railway system. That will solve the problem of pollution in our cities. In a major city like Nairobi, we still do not have an electric railway system! There is smoke all over Nairobi coming from vehicles and the old locomotive trains. We would very easily go around that by introducing an electric rail system. It is cheaper, more efficient and safer. Wherever we have these kind of rails, we rarely hear of accidents in cities. If we had an electric rail system, one would, for example, be staying in Kisumu, Kakamega or even Butere, but work here in Nairobi. This is because one would be taking just an hour or so, to get to Nairobi. So, it is high time this Government thought about that. We need to modernise the railway system. We need to do away with the outdated locomotives which were brought in this country in the 1950s. We need to modernise the coaches. Some of these coaches do not have light in them. Surely, how can somebody travel in a coach from Nairobi to Mombasa all in darkness? You cannot even see who is stealing from you. In fact, that is how some passengers end up being drugged. So, this Government needs to think of that as they think of restructuring the Kenya Railways Corporation (KRC).

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

Dr. Rutto: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to participate in the debate on the Motion by the Minister for Finance.

I would like to support the Motion because in various ways it addressed the basic problems and needs of Kenyans. As we were told, the theme of the Budget is about "Re-orienting Expenditure to achieve Rapid Economic Growth and Poverty Reduction." I hope one of the intentions of the Minister in trying to re-orient expenditure to achieve rapid economic growth is to encourage wealth creation in this country. One of the ways of improving wealth creation is to improve on communication. Communication is very important in the sense that it enables people to move and participate vigorously in commercial activities. Therefore, the improvement of roads in this particular sense is very important because it enables people to move from one place to another with their crops and wares.

Another way of encouraging the creation of wealth is to encourage vibrant commercial activities among Kenyans, and between Kenyans and people of the rest of the world. From the Budget Speech, I gather that the balance of trade in this country is skewed in support of imports. In other words, there are more imports than exports that we, as Kenyans, engage in. This shows that vibrant commercial activities which we need to encourage in order to improve creation of wealth do not favour Kenyans at all. I expected the Minister and the Government to give proposals in this direction, to encourage Kenyans to sell their wares outside.

Mr. Temporary Deputy Speaker, Sir, the other important point is on improvement of security. If the security situation does not improve, the investment and tourism sectors suffer. We have said that in this country, insecurity is still a problem. I can see our colleagues in the Government side trying to give the impression that we are okay. The problem of insecurity is obvious. We are still experiencing many problems down at the Coast, in the Rift Valley and in other places. Some of the problems we are experiencing scare away investors, depress us and prevent us from involving ourselves in vibrant commercial activities because people are more worried about their security than improving the economy. Very little has been done by the NARC Government to improve the security situation in the country. Our roads are still bad, and particularly where I come from, Kipkelion Constituency where there is no tarmac road.

Hydro-electric power is not equitably distributed. I do not have electricity in a big section of my constituency, simply because distribution of electric power has not been fair. The Government has not done anything to try and provide hydro-electric power fairly.

Telephone network is still a problem in my constituency. Even with the introduction of the mobile phone telephony, there are still places in my constituency which are not served by the networks. These are some of the problems that discourage my people from engaging in vibrant commercial activities so as to create wealth for themselves. The Minister alluded to the fact that we still have a high rate of inflation. This affects my people of Kipkelion.

The problem of unemployment is still rampant. Most of the young people in my constituency are unemployed. This, in essence, implies that the economy is not able to absorb even the high skilled manpower that I have.

Re-orientation of expenditure involves re-distribution of wealth. This means reducing the gap between the rich and the poor. We still find this to be a problem in this country. The gap between the rich and the poor is still growing. We have not done anything to reduce it. The Government should have, instead, told us what specific programmes it has earmarked for eradication of poverty. One of the things that may help us in this direction is to provide water. In my constituency, there are many streams but distribution of clean water is still very low. The distribution of health services is still very poor. We still have many pockets of poverty and the provision of health services is still very poor. We do not have health workers. The number of nurses in our dispensaries is very low. Some dispensaries do not even have any nurses and yet, the Government stands here to thumb its

chest that it had done a lot of improvement. It has not done anything!

Mr. Temporary Deputy Speaker, Sir, they have also told us that they have improved on governance and rule of law. I would like to say that there is little in that direction. The Minister told us that the economy has improved. How do we check that? What shows that the economy has improved? The figures that they have given us are mere theories. If you go to the rural areas, you will discover that the economy is still ailing. Commodities are still very expensive. When NARC Government came into power, the price of sugar per kilogramme was half of what it costs today. Yet, they are telling us that the economy has improved. What shows that it has improved? The price of a packet of *unga* has gone up. Many people cannot afford to buy that basic commodity and yet, we are being told that the economy has improved. We are not seeing anything practical on the ground. The cost of soap, which is a basic commodity, is very high. The purchasing power of our people has been weakened by a poorly managed economy, and they tell us that they are good managers. They are not!

The Temporary Deputy Speaker (Mr. Poghio): Your time is up!

Dr. Rutto: With those few remarks, I beg to support.

Mr. Karaba: Thank you, Mr. Temporary Deputy Speaker, Sir, for spotting me with your eyes. I stand to support the Budget which, for intents and purposes, was one of the most balanced budgets we have ever listened to in the modern history of our Republic. Indeed, many people applauded the Budget Speech as being one of the best ever read in this House. It is, therefore, very irritating to hear some people saying that it was yet to be done better. Those are the critics, but we shall continue saying that it was one of the best. It was the best for one or two reasons that I will highlight here.

Mr. Temporary Deputy Speaker, Sir, the Budget allocated money to facilitate education, which is a very important sector in our country. We read that the bursary fund, which was initiated last year but one, has been increased. That money will be used by needy children in our schools. It is true that, without the Bursary Fund, many students would have dropped out of school. Therefore, that is a very important step towards the development of education in our country.

Mr. Temporary Deputy Speaker, Sir, the Constituency Development Fund (CDF) money has been increased. Members of Parliament are controlling money right in the villages. That is what we call devolution. It is very good for the development of the country.

Mr. Temporary Deputy Speaker, Sir, as much as we talk about development, there is one area that is not moving ahead; that is power supply. It is like every other time we ask about power supply, we are told that it will be implemented when funds are available. Even with the Budget, it is not possible to supply power in most areas that we know of in this Republic. I will, therefore, urge the Minister for Finance to liberalise power supply in this country, so that *wananchi* will be able to buy either power generators, transformers or even posts. This is the only way we can meet the demand market. We need to see power supplied to all the needy areas, including shopping centres, so that we can even have small-scale industries started, just like we witnessed in many countries in South East Asia. So, we need to address this issue with the Ministry of Energy, so that it can provide *wananchi* with more of the components required in power supply.

Mr. Temporary Deputy Speaker, Sir, the other thing worth being noted is the speed at which the infrastructure is developing. It is yet to be done. I urge the Minister in charge of roads to think about, particularly the link road between Mombasa International Airport and the island, and also the Jomo Kenyatta International Airport and Nairobi City. It is appalling to note that it takes eight hours all the way from London to Nairobi. However, from the airport to the City, sometimes we even take four hours. This is something which can discourage investors and more so, tourists. I would urge the Ministry to improve on this, so that we capture more on the tourism industry. This, of course, can earn more of invisible foreign exchange.

Mr. Temporary Deputy Speaker, Sir, I want to touch on the Ministry of Education, Science

and Technology. I noted that, even if this Ministry takes the lion's share of the Budget, it is still not very clear how much money will go to the employment of more teachers. We need so many of them employed in this country. In fact, about 40,000 to 50,000 teachers are required if the Government will cater fully for the free primary education and also replace those who retire. However, there is no money set aside for that purpose. This is something that will make the country lag behind. We might even continue with the poor quality of education as it were the case to be expected.

We heard a lot about money which is stashed in foreign banks, but nothing was touched about it in this year's Budget. We always hear about Kshs78 billion stashed out of the country, but this money has never come back to this country. When will it be retrieved back to this country? If it comes to the country, I am sure, it will be spent in other avenues. We can even improve our roads and education programmes. But nobody tells us the truth about this money. We need to be told, maybe, by the Minister when he responds, whether this money will ever be retrieved to this country. That money can improve some areas of our economy.

Mr. Temporary Deputy Speaker, Sir, also I note that a lot of money has been voted to develop rural areas. However, we did not get a lot of information about the Local Authority Transfer Fund (LATF) money. We did not get information on how the Ministry of Local Government will go ahead with the various programmes, for example, the Constituency Development Fund (CDF). We need to be told how much of the LATF money will go to education, for example. If we are talking of about Kshs800 million to be spent on bursaries, for example, we need to know how much of the LATF money will go to those bursaries, so that we do not double-allocate. When we are doing it in our bursary committees at the constituency level, we need to be told how much money the Local Government will avail towards the bursary fund. This is something that should be clarified.

Mr. Temporary Deputy Speaker, Sir, we also know that in our country sporting is a very important activity. Not much, of course, was said about sports. Whereas, we know that it is one of the investments that we need to really embrace in our country. Many of our sportsmen have gone to waste for lack of enough funds and exposure. So, we need to have vibrant sportsmen being exposed outside the country. Let them compete in international sports. When that happens, of course, our country will earn a name, just like the days of Mr. Kipchoge Keino and many others. We need to have the games which were there before started again so that we can sell the name of our country.

Mr. Temporary Deputy Speaker, Sir, on insecurity, we need to have more money voted to provide security. Without security, it is impossible to talk about industrial investments. We note that during the tribal clashes, very many tourists and would-be investors were discouraged from coming to our country. So, we need to ensure that security is provided all through, particularly along the Coast, so that we can have more tourists visiting our country.

Lastly, I want to talk about the procurement process, which I think is too long. Even when we need to have something bought by the Ministry, it takes too long. It might even take one year and by the time a project is implemented, it will be during another Parliament. We are wasting a lot of time. Even when you want something done urgently by the Ministry, it takes too long. So, I am asking the Minister for Finance to look for ways and means and see whether this long process can be cut short.

Mr. Temporary Deputy Speaker, Sir, it is also time we gave a lot of attention to our agricultural activities such as coffee and tea. We have very many coffee factories which cannot process coffee. There are very many of them in my constituency which are not functioning because of lack of adequate transportation for coffee. So, I am urging the Ministry of Roads and Public Works to improve particularly those roads which are serving coffee factories so that we can process our coffee on time.

With those remarks, I beg to support.

The Assistant Minister for Environment and Natural Resources (Prof. Maathai): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to this debate. I

first want to thank the Minister for presenting such a good Budget.

I want to, especially, commend him for having emphasised the need for farmers to plant trees. I want to say that this is something that is new in the Budget, in that the Minister deliberately asked farmers in our country to become tree farmers. There is no reason why a lot of land that is lying idle and needs to be rehabilitated should not be covered with trees, that can be made available through the private sector. As a matter of fact, I would like to urge the Minister to convince his colleagues to push for tree farming in this country so that we can move people who insist that we should have commercial plantations in our forested mountains. The Minister emphasised the need to give our people water, especially those who are living in Arid and Semi Arid Lands (ASALs). The Minister has allocated some money for digging of boreholes in those areas. He also emphasised the need to revive irrigation schemes, especially those situated along major rivers. All those activities will not take effect if we destroy our forested mountains. I would like to emphasise that, in fact, it seems that many of us do not quite appreciate the fact that, it is those forested mountains that give us rivers, water and rain. Many people have found it very difficult to understand the difference between natural forests and commercial plantations. Commercial plantations are established after the clear-cutting of natural forests. Those commercial plantations which are nurtured by communities living near forests - which have come to be known as the *shamba* system - do not give us the services that we are given by natural forests. I want to emphasise on two services which are very relevant to what the Minister was talking about.

First, when you have a natural forest, it has the capacity or an innate structure that facilitates the creation of rain. When you remove the natural forests, you interfere with the rain patterns and, therefore, you interfere with agriculture. As you know, much of our agriculture takes place around our forested mountains. Therefore, in future, if we continue developing those commercial plantations, our agriculture, especially coffee and tea, will be adversely affected because rainfall will be affected. In fact, I understand that, in some areas where Brooke Bond grows tea, and where close monitoring is done, the quality and quantity of tea has gone down because the rainfall patterns have changed. It does not rain for a long time and when it rains, it is in form of light rains. Instead, the rain falls very heavily within a very short time. Tea prefers long periods of rains which drizzle, rather than pour. That is something that we should take very seriously. That may be a sign of the future of tea and coffee due to the interference with the natural forests.

The second thing that the natural forests do is that, when the rain falls, they absorb the water. The water does not hit the ground because there is a lot of under-growth and a very thick canopy that is typical of natural forests. When the water hits the canopy, it then goes down very slowly along the leaves, bark and trunk, all the way down to the bottom of the forest. At the bottom of the forest, there is usually a very huge "sponge", sometimes up to 20 feet thick. It receives the rain water and facilitates the sipping of the water into the underground water reservoirs. When those reservoirs are filled up, the water comes to us in form of streams and wells. Downstream in the ASALs, the water level will rise. So, the people will not have to dig very deep to reach water. That is because in the mountains, the underground water reservoirs are being fed with rain water. When you cut the natural forest and remove the sponge which the farmers like because it is very fertile, when the rains hit the ground, water does not go to the underground water reservoirs. Instead, it runs off downstream. That is the reason why at a time like this when it is raining, our rivers are overflowing with water and in some places, causing floods. But as soon as the rains stop, water in those rivers will go down to very low levels and some of them, especially in the dry seasons of December, January and March, will literally dry up. We have seen areas such as Mai Mahiu and North Eastern Province where our people fight over one or two remaining wells.

Mr. Temporary Deputy Speaker, Sir, I am drawing this attention and emphasizing this connection to show how important our water catchment areas are, and how short-sighted we would be if we continued using these forested mountains as areas for commercial plantation of pine,

eucalyptus and other exotic species of trees. It is for that reason that I commend the Minister for having shown another direction to farmers and private companies such as Raiply, Pan Paper, Timsales and all those companies to whom we give all the timber that we grow in these forests. These people can now lease dry lands which are lying idle outside there and our forests would then be allowed to regenerate into their natural form. We should continue educating our people that it is very important to protect these natural forests, including not allowing people to go into these forests to carry out illegal logging or to burn charcoal. Kenyans should be made to understand the linkage between these forests, mountains, our agriculture and our water system, including our energy system.

Much of our energy comes from the dams which have been constructed across Tana River. Right now, we are trying to construct other dams across the Sondu and Miriu rivers, which fall into Lake Victoria. These rivers originate from the Mau Complex, the same kind of mountains which are also threatened by the same kind of commercial plantations and cultivation in the forests. These are the sources of our hydropower and the Ministry of Energy will not be able to supply us with electricity to industrialize and develop our rural areas so as to create jobs, if we do not feed these dams with clean water; water that is not silted with soil. At the moment, a lot of water going into these dams is laden with top soil which we need for agriculture but it is now stopping the turbines from turning. Those dams cannot produce the capacity of power they are supposed to generate and they will not last as long as they are supposed to because they will silt up, and we will have to build new dams. Unfortunately, in this country, we have very few big rivers. So, if the Kindaruma and Sondu Miriu dams are silted, we will be in trouble.

With these few remarks, I beg to support.

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to the Budget Speech. First of all, I want to congratulate the Minister for a fairly well done job. The theme of the Speech is actually right, and I want to state here that, the Minister should have done this a little earlier than he did because we need to re-orient our expenditure. That has been a cry all over as we have been crying about our finances and borrowing.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance has taken a bold step by re-orienting expenditure, including restricting Ministers who had unnecessary long chasis cars. That is an appropriate move and we need to commend the Minister in that regard. Beyond what we have seen in Ministries, including the vehicles that Ministers own, we need to go much deeper in terms of the packages that they enjoy, so that we can minimise their expenditure.

Kenyans are actually dying of hunger as we watch River Nile flow into Egypt. It is a high time the Ministry for Finance, alongside the Ministry of Water and Irrigation and the Government in general, reviewed the Nile Treaty, so that hon. Ndile does not have to come here to beg for food for his people. You know what happens when people are hungry. In the Bible, somebody sold his birthright simply because he got a bowl of soup. We want Kenyans to be independent and for that reason, the Nile Treaty must of necessity be reviewed, so that we can irrigate our land and stop begging for food.

Mr. Temporary Deputy Speaker, Sir, with regard to taxes, it is true that Kenyans are highly taxed. The Minister normally and ordinarily pushes the people in the tax bracket to continue paying more taxes. We should introduce new tax net, so that the people who pay heavy taxes through the Pay-as-You-Earn can spread that burden across the board and lessen the tax burden. For that reason, Kenyans will be more willing to pay taxes because the tax burden will be lower. Therefore, running away from paying taxes will be more expensive than paying taxes. Through tightening expenditure, there has been a reduction of Kshs3 billion in terms of our domestic debt. This is commendable. The Minister should do much more in terms of reducing the domestic debt, which actually increases our interest rates because the cost of borrowing is higher on domestic borrowing.

Mr. Temporary Deputy Speaker, Sir, debt is our main problem. Fifty seven per cent of our

Gross Domestic Product (GDP) is committed to debt. When I brought a Motion on the internal interrogating of public debt in this House, it was shot down. We are paying irregularly acquired and applied debts at the expense of the Kenyan population. It is high time we looked into our position and exactly know where we stand.

Last week, I was in Scotland. We are still begging for the write off of debts from the G8. They call us good boys because we keep repaying the loans promptly, but we repay these loans at the expense of the very basic necessities that we must give to Kenyans. We are using that money to repay debts and somehow, we have been reduced to beggars. It is high time Kenya put its case again. I was impressed by the Minister for Planning and National Development when he said that he wants to put up a petition on this matter. If we do not do that, in the East African Co-operation, we shall suffer greatly because our brothers will be diverting their resources to infrastructure and development when we shall be repaying debts to a tune of Kshs78 billion.

Mr. Temporary Deputy Speaker, Sir, I have said a couple of times that our Minister for Finance, who is a very able economist, should plan to live within his means. Trying to beg money to develop our country does not make sense because we must dance to the whim of the donors before they give us money to develop. Malaysia which was poorer than Kenya at Independence, today is aspiring to be a developed nation by the year 2020. This is because Malaysia took the right steps by rejecting hand-outs from the big brothers. They told the donors that they did not want to deal with them, but they wanted to prepare a cyber giant, where the donors would invest at the country's terms. Today, the donors who were rejected have started investing in Malaysia at her terms. Today, the per capita income of Malaysia is US\$1,280.

The Temporary Deputy Speaker (Mr. Poghisio): Order, hon. Members! Mr. Omingo, you have five minutes remaining.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.